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**HIGH GROWTH AND RAPID INTERNATIONALISATION
OF FIRMS FROM EMERGING MARKETS:
THE CASE OF THE MIDDLE EAST AND NORTH
AFRICA (MENA) REGION**

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PhD

The University OF Edinburgh

2012

DECLARATION

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Refereed Conference Papers:

- Hatem, O. 2009. *OLI meets international and Strategic Entrepreneurship: The management of Emerging market's Hyper Growth Multinationals*. Paper presented in the Second Reading IB conference. Reading, UK.
- Hatem, O. 2009. *International Strategic Entrepreneurs in the MENA region: An examination of the phenomena by interrelating 3 strands of theory: International Entrepreneurship, Location Advantage and Strategic Entrepreneurship*. Paper presented in Academy of International Business. University of Glasgow, Glasgow, UK.
- Hatem, O., & Harris, S. 2009. *Exploring Hyper-Growth Multinational Entrepreneurship: International Entrepreneurship, Location Advantage and Strategic Entrepreneurship*. Paper presented in Academy of International Business, UKI Chapter. University of Glasgow, Glasgow, UK.
- Hatem, O., & Harris, S. 2009. *The growth and development of innovative international entrepreneurial firms: Case Studies from the emerging market of the MENA Region*. Paper presented in 7th International Business Week (IBW7). School of Economics and Management of Minho University, Braga, Portugal.
- Hatem, O., & Harris, S. 2009. *Understanding Hyper-Growth International Entrepreneurs: Location advantage International Entrepreneurship and Strategic Management*. Paper presented in 35th Conference European International Business Academy, University of Valencia, Valencia, Spain.
- Hatem, O. 2009. *International Strategic Entrepreneurship: Case Studies from the Middle East and North Africa Region*. Paper presented in 7th Workshop on International Strategy and Cross Cultural Management. Helsinki School of Economics, Helsinki, Finland.
- Hatem, O., & Rosa, P. 2010. *The Fast Growth of Family Business Selected Entrepreneurial firms from an emerging economy*. Paper presented in Family Enterprise Research Conference, Cancun, Mexico.
- Hatem, O., & Rosa, P. 2010. *Entrepreneurship and the Phenomenal International Growth of Leading Family Businesses in an Emerging Economy*. Paper presented in Babson College Entrepreneurship Research Conference (BCERC), Lausanne, Switzerland.
- Hatem, O., & Rosa, P. 2011. *Understanding high growth and rapid internationalisation of leading family businesses in an emerging African economy*. Paper presented in 7th Workshop on Family Firms Management Research, EIASM, European Institute for Advanced Studies in Management, Witten, Germany.

ACKNOWLEDGMENTS

I wish to thank my supervisors: Professor Peter Rosa and Dr. Simon Harris. Each has offered his own particular expertise during the respective stages in the work, and the continued guidance of both of them is very much appreciated.

The research would not have been possible without the help of my interviewees in different parts of the world and especially in the Middle East and North Africa Region. Their contribution and support to the field study is highly appreciated.

I would like to thank my colleagues, staff members of Edinburgh University Business School, especially Christine Proudfoot and the PhD Support Office.

I would further like to thank my fellow colleagues who have shared my journey: Yan Zhuang, Sheetal Patel, Sara Lopez and Stephen Howard.

To my children Mohamed and May, thank you for believing in me and supporting me through difficult times

Finally, my deepest thanks to my husband, Naiem Sherbiny, for his unfailing support and enthusiasm

This work is dedicated to my parents, may God rest their souls, for all the great things they provided me in my long life journey

Omaima Hatem

April 2012

ABSTRACT

The aim of this thesis is to understand the phenomena of the high growth and rapid internationalisation of firms from emerging markets. It explores the applicability of international entrepreneurship theory to the context of the emerging market enterprises in the Middle East and North Africa (MENA) region. It integrates the literature of strategic entrepreneurship and that of portfolio entrepreneurship with the literature of international entrepreneurship to provide a closer fit of applicability in that context.

The main research questions of this thesis focus on: why, where, and how do some emerging market enterprises grow fast and internationalise early and rapidly? Particular attention is paid to entrepreneurs, entrepreneurial teams and the entrepreneurial process in the discovery, evaluation, and exploitation of new business opportunities.

Despite the strength of the international entrepreneurship theory in identifying the sources of rapid internationalisation for small and medium enterprises from developed markets, it has been criticized for failing to address the same phenomena for firms from emerging markets. This thesis explores why, where, and how the MENA region emerging market firms have attained their spectacular performance over the last few years up to 2008, and contributes to filling the theoretical gap in the literature. This exploratory study suggests that the entrepreneurial and management processes of international business opportunities play an important role in achieving the high growth and rapid internationalisation of firms from emerging markets.

A multiple case study strategy was adopted, and qualitative data was collected through interviews with entrepreneurs and entrepreneurial team members in the research site of the emerging markets of the MENA region. Other interviews with financial experts, staff of international financial institutions, and international analysts in specialized publications were conducted in order to achieve triangulation and bias minimization. Guided by a newly formulated conceptual theoretical

framework, data was explored and thematically analysed by coding into different categories to enhance the understanding of the processes that underlined the entrepreneurial strategies associated with the rapid internationalisation and high growth of the theoretically sampled case companies. Resource orchestration, innovativeness, entrepreneurial leadership and international diversification were found to be crucial elements employed by lead entrepreneurs and their entrepreneurial team members through utilising human and social capital of networks and knowledge throughout the internationalisation process.

The findings revealed that integrating the concepts of strategic entrepreneurship and portfolio entrepreneurship with international entrepreneurship produced a coherent approach to the application of those theories to understanding the behaviour of multinational enterprises from the MENA region. However, other valuable themes emerged from the findings. Chief among those are: strategically targeting hostile markets with inefficient institutional competencies and insufficient infrastructure, thus benefiting from a no competition status. Networking internally with entrepreneurial team members and international churning were other key elements revealed by the findings that explained the interactions and processes which enhanced the companies' rapid internal growth,

A recommendation for management practice is made for firms to encourage internal networking with entrepreneurial teams' members thus enhancing trust and supporting intrapreneurs' initiatives in identifying and exploiting new international opportunities.

A mainstream policy recommendation for emerging markets is to strengthen the private sector performance with government incentives of a financial (tax reductions, banking facilities) and non-financial (political reform, education and health services) nature to encourage such entrepreneurial activities.

In addition to its contribution to the theoretical understanding of high growth and rapid internationalisation from emerging markets, the findings of this thesis accentuate the impact of the pattern of internationalisation into antagonistic environments with scarce infrastructure as a strategic entrepreneurship process of

deployment of dynamic capabilities to craft unique competitive advantages thus achieving and sustaining high growth and performance in new international markets. This thesis is also unique in compiling the first dataset for MENA region enterprises with similar attributes of high growth and rapid internationalisation.

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Chapter One: Introduction

1.1 Subject of Thesis

This thesis is a contribution to the understanding of high growth and rapid internationalisation of firms from emerging markets. Its aim is to explore and examine the entrepreneurial and managerial processes during the growth and internationalisation of firms from the Middle East and North Africa (MENA) region.

The last thirty years have seen a spectacular rise in the economic growth of emerging markets in the Middle East, South and East Asia. Whether this growth is linked to the activities of entrepreneurs and entrepreneurial families is the subject matter of this thesis. The latest Forbes list of dollar billionaires shows that almost all the new billionaires come from the Middle East and Asia. These high and rapid growth enterprises in emerging economies are an elite group of firms with significant impact on their economies. These firms create more jobs, expand the tax base and generate wealth at high rates and faster than other firms in the economy (Cabral 1995; Brixy and Kohaut, 1999).

Most of these enterprises internationalise earlier on and have a highly significant impact on their respective economies as they generate more wealth and innovate more effectively than other firms (Schumpeter, 1934; Evans, 1987b; Chakrabatti, 1991). The literature also suggests that a sub-group of these firms achieve “extraordinary growth rates” over a short period (e.g., Birch, Hagerty and Parson, 1993; Markman and Gartner, 2002; Fischer and Reuber, 2003) and hence make a significant contribution to employment and income creation. However, little is known about how such firms achieve these high levels of growth, and so quickly. By focusing on these high growth internationalising firms, the research seeks to develop a deeper theoretical and empirical understanding of the factors that contribute to higher growth and internationalisation. This will potentially have important implications both academically and in policy design.

Entrepreneurship represents a fundamental part of the economic process, as a result of its ability to create both personal and societal wealth (Thurick and Wenneker, 1998); and consequently entrepreneurship has gained special attention from both politicians and researchers (Baron, 1998; Johannisson and Landström, 1999). Over the last decades entrepreneurship research has developed enormously and has become one of the fastest-growing areas of management research (Johannisson and Landström, 1999). Shane and Venkataraman (2000) conceptualised entrepreneurship research as involving the study of *why*, *when* and *how* some people and not others discover and exploit business opportunities as well as the consequences that follow their decisions throughout the entrepreneurial process. This consists of three main activities: the discovery, the evaluation and the exploitation of business opportunities. The enterprises in emerging economies, in contrast to a majority of large multinational enterprises from developed economies, are characterised by the significant presence of entrepreneurs, i.e. people who retain key positions in the ownership, control and management of firms. For this reason, specific attention will be paid to the role of entrepreneurs and entrepreneurial processes in explaining the formation and dynamics of high growth and rapid internationalising enterprises in emerging economies.

1.2 Background of Research

Several countries in the MENA region have experienced significant economic growth, owing mostly to relying on international trade and entrepreneurship, (Nasra and Dacin, 2009). Research that explored these phenomena in emerging economies has been lacking (Bruton, Ahlstrom, & Obloj, 2008). Furthermore, the emerging economies of the Middle East have been completely absent from the literature (Bruton *et al.*, 2008). In their review of entrepreneurship articles in major management journals between 1990 and 2006, Bruton *et al.*, (2008) found not a single article dedicated to examining entrepreneurship in the Middle East. Since the mid-1990s a number of enterprises from the MENA region began to engage in Foreign Direct Investment (FDI) in emerging economies and, more significantly, in advanced economies. This was an unexpected development, which triggered immense curiosity

for the present researcher. She noted the absence of literature on high growth-rapid internationalising firms (HGRI) from MENA as a gap in international business literature and set out to initiate empirical research to study and assess this phenomenon. That is the genesis of the present thesis.

1.2.1 Context of Research: Why the MENA Region?

Though the MENA region as a whole had lagged behind other regions in economic and business development, the picture began to change from the mid-1990s. Now some of the MENA countries are positioned to be key players in the emerging markets “Next Eleven” (Goldman Sachs Report, 2006). The rate of growth and development in some of those economies was significantly above the average for emerging markets as a whole. Thanks to the initiatives of their entrepreneurs, some of this region’s firms have shown spectacular performance of HGRI in recent years. Some of these did not even exist ten years ago, and yet they managed to become global leaders in their particular fields (Boston Consultancy Report, 2006).

The geographical context of the study covers the seventeen Arabic speaking countries of the MENA region¹, as presented in figure 1.1. The main reasons are: the paucity of MENA business literature, the insufficiency of research on MENA firms and the scarcity of relevant statistics on such firms. Constructing a comprehensive database on the region’s firms that satisfy the HGRI criteria requires an overwhelming effort beyond the reach of a doctoral thesis. Even with the limited universe of 108 firms, the analysis required considerable effort to organize the data, identify the main variables and explore common ground among those firms. The “who” question is covered thoroughly in this study by investigating who the responsible entrepreneurs are, their family backgrounds, their respective businesses activities and the international markets in which they operate.

The time scale of this study ends in December 2008. For most firms in the MENA region, the calendar year and fiscal year are the same. The research is not limited to

¹ Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Yemen, Sudan, Syria, Tunisia and United Arab Emirates

any particular sector, but cuts across all sectors, whether industrial, agribusiness, or services. The HGRI firms operated in widely variant sectors, ranging from telecommunications, tourism, infrastructure, construction, finance, real estate to pharmaceuticals and agribusiness. Though the MENA context presents specific economic and social features, the widespread presence of HGRI firms is not limited to the MENA region. Therefore the MENA region is a promising context to research high growth and rapid internationalisation processes.



Figure 1.1: MENA Region Countries
Source: <http://www.unicef.org/har07/files/MENA> (2008)

1.2.2 Research Motivation

This research was stimulated by other sources that highlighted aspects about multinationals from developing economies. A number of reports from industry consultants (BCG, 2006), business press (Business Week, 2006) and international associations (OECD, 2006) provided evidence of the extent of internationalisation of emerging country firms in key industries traditionally dominated by multinationals from developed countries. For instance the BCG (2006) report identified and presented the top 100 companies from developing economies in diverse industries such as industrial goods, consumer durables, telecommunications, pharmaceuticals and information technology, among others. And the Business Week, (2006, p: 42) acknowledged the rising of emerging multinationals as follows:

“A new breed of ambitious multinational is rising on the world scene, presenting both challenges and opportunities for established global players. These new contenders hail from seemingly unlikely places, developing nations such as Brazil, China, Russia, and even Egypt and South Africa. They are shaking up entire industries, from farm equipment and refrigerators to aircraft and telecom services, and changing the rules of global competition.”

Additionally, this research was particularly motivated by Yamakawa, Peng and Deeds (2008) article, in which the authors suggested a dynamic approach as a future research agenda:

“While we have focused on... new ventures moving from EE (Emerging Economies) to DE (Developed Economies) ... new ventures moving from EE to EE, is also a rare but increasingly observed phenomenon. Do new ventures in EE initially internationalise into EE, before entering DE?

... In other words, the migration of new ventures’ internationalisation activities from EE may be an interesting and a fruitful area for future researchers to explore.”

The author was predominantly challenged by this call for what they identified as “*an interesting and a fruitful area for future researchers to explore*” hereby helping her focus her main research interest accordingly: *What drives some (but not all), new ventures from emerging economies to internationalise?*

1.3 Research Questions

The overarching aim of this thesis is to achieve a better understanding of the recent and extraordinary economic growth achieved by entrepreneurs in the MENA region through an exploration of the applicability of international entrepreneurship theory to an emerging market context, complemented by perspectives from strategic and portfolio entrepreneurship theories to achieve a closer fit of applicability.

The two specific objectives of the study and research questions are:

Objective One: To explore and investigate the characteristics and behaviour of the emerging market MENA region enterprises as they grow fast and internationalise early and rapidly.

Research Questions:

- *Who* are the entrepreneurial actors (subjects) from the MENA region: who are the entrepreneurs, founders, family members and entrepreneurial teams? What are their perceptions and attitudes regarding internationalisation?
- *What* are the resources and capabilities: Human (knowledge), social (networks) and financial capitals available as tangible and intangible assets of the internationalising firms?
- *Where* do firms internationalise to: Extent, speed and scope of Internationalisation?
- *Why* do entrepreneurs and their respective firms internationalise: what are the motivations, triggers and environmental factors affecting the high growth and rapid internationalisation.

Objective Two: To examine and understand the entrepreneurial and managerial processes during the growth and internationalisation of firms from the MENA region.

Research Questions:

- *How* does the entrepreneurial process of discovery, evaluation, and exploitation of new international business opportunities steer the high growth and rapid internationalisation of MENA firms?
- *How* do entrepreneurs and entrepreneurial teams lead, motivate, and drive emerging market enterprises to high growth and rapid internationalisation?
- *How* do MENA firms diversify internationally and form business groups to pursue high growth?

1.4 Research Significance: Why this thesis?

The researcher's interest in HGRI / MENA started from the empirical side. However, it was soon apparent that a thorough understanding of this novel phenomenon needs a conceptual road map based on existing international business theories and literature. Such literature, instructive as it was, addressed a different phenomenon that was decidedly at odds with the performance of MENA firms; it pertained to the internationalisation of firms from developed economies not from emerging markets. Though a common denominator exists among firms of both groups, each group has its own separate contour, and firms from emerging markets did have their own. As is often the case with theoretical constructs in social domains, they lag behind unfolding realities that seem to question existing theories and thus call for theoretical guidelines and explanations of their own.

1.4.1 Theoretical Challenge

What the researcher observed in the MENA firms was in fact a lagged replication of what was happening elsewhere in the emerging markets of Asia and Latin America, the BRIC² phenomenon. Empirical research on emerging-market firms followed, and theoretical explanations were to follow thereafter. As the researcher progressed in her work she became the beneficiary of the rapidly accumulating empirical and theoretical knowledge on HGRI /emerging markets firms.

² The emerging markets (i.e. Brazil, Russia, India, China)

Athreye and Kapur (2009) argue that firms from developing countries have frequently been at the forefront of internationalisation in the last two decades. Data published by UNCTAD (2006) confirms this rising trend, especially from China and India. And some of the new players are now competing with traditional MNEs from mature economies (Chittoor and Ray, 2007) – and occupy leading positions even in developed economies (BCG, 2008). Between 2006 and 2008, the number of companies from the BRIC groups listed in the FT 500 list quadrupled from fifteen to sixty-two.

How adequate are recent theories in explaining HGRI firms in the context of emerging markets? The truth is that no well-developed theory exists to explain that phenomenon. This is an important research challenge that is taken up in this study. One significant factor is that existing literature relies on the behaviour of firms to explain the HGRI phenomenon. By contrast, the present study relies on the behaviour of the entrepreneur (i.e. the lead entrepreneur and his entrepreneurial team). In all cases examined from the MENA region, the role of entrepreneur, as will be shown, proved decisive in explaining the HGRI phenomenon.

The researcher's primary concern was to find a theoretical construct that serves a dual function: to attempt to explain the empirical issues and to reconcile theoretical inconsistencies flagged above. The first theory used was international entrepreneurship (IE) to explain the behaviour of firms when they decide to internationalise. The theory employs the following useful concepts to explain the behaviour of those firms: human, social and financial. Those refer to resources at firms' disposal to achieve warranted objectives. Human resources refer to knowledge of the lead entrepreneur and his team, acquired over the years through education and professional expertise. Social resources refer to networks and relationships of the entrepreneur and his team that they built through friendship, family and business ties. Financial resources are not limited to the firm's pecuniary capital but also to credit (local and international), good will and reputation, and potential for IPOs.

The IE theory also explains the extent, speed and scope of internationalisation of firms. Those terms are explained herewith. Extent: degree of international

penetration of a firm into overseas markets. Speed: how fast the firm enters new markets. Scope: geographic (how many markets) and products (number of innovations introduced in those markets). Finally, the IE theory explains the “environmental factors” pertinent in the internationalisation of firms. Those are: (a) institutional environment (financial and governmental institutions); (b) competitive forces (intensity of international competition); (c) growth opportunities (represented by the pull of international markets or the push of limited domestic markets).

When the researcher applied the IE theory and its analytical tools to the performance of the firm in a pilot study, some shortfalls emerged. They mostly revolved around the management and leadership of firms, proven to be key factors in the pilot case. Those very shortcomings are addressed by another strand of entrepreneurship theories: the strategic entrepreneurship (SE) theory. The researcher thus found it necessary to integrate the IE and SE theories to achieve a more satisfactory explanation of the behaviour of the pilot firm. She found that the SE theory explains the following: how firms create and sustain competitive advantage; how entrepreneurs lead their firms; how they motivate their entrepreneurial teams in working together to initiate change and expand the international horizons and opportunities of the firm; and how firms mobilize their international resources to optimize their core competencies.

Despite the preceding strengths, SE fell short of explaining the high rate of international growth of the firm the researcher observed in the case study. The researcher had to look for an additional explanation, which she found in the portfolio entrepreneurship theory (PE), dedicated to the explanation of international diversification and growth of firms. The two thrusts of this theory pertain to entrepreneurial team management and business group formation. At the end of her theoretical review, the author found it necessary to carve out a synthesis of the three entrepreneurship theories to explain the behaviour of the pilot firm. The pressing question thus became: would this synthesis be needed when examining other HGRI firms from the MENA region?

1.4.2 Practical Significance

A research problem may be considered to be of practical significance if it addresses an issue that is of current and practical concern to a critical population, and can also relate to a wider population. In addition to its contribution to the theoretical understanding of high growth and rapid internationalisation from emerging markets, this thesis is also unique in compiling the first dataset for MENA region enterprises with similar attributes. This thesis provides data for the first time on the number and nature of HGRI firms in MENA region.

The population of decision-makers in the firms participating in this study is considered to be of critical importance to the research problem. This is due to the fact that decisions they make contribute directly to deepening the understanding of factors that have affected the development and international growth of firms in the research context. Chief among these factors are enhancing of the social capital of employees by encouraging internal networking; enhancing human capital by promoting acquisition of tacit knowledge of international markets through allowing employees to train in different territories. Promoting entrepreneurial environments as families and founders of case companies support entrepreneurial thinking and behaviour of staff members. Thus, embedding the notion of entrepreneurial teams into the organisational structure of the firms and creating a climate of mutual trust if high performance and growth in international markets is to be achieved. Last, an important practical implication of this thesis would be to encourage entrepreneurial competitive advantage in firms to internationalise into hostile markets. Targeting such markets enables first entrants to identify more business opportunities, and benefit from the need for new innovations to sustain development in these emerging markets.

Private enterprise is of recognised importance to economic growth and employment in general terms (Wennekers and Thurik, 1999; Gartner and Carter, 2003), and in emerging markets where the growth of firms in particular can be vital (Heenan and Keegan 1979). This is of especial relevance to the MENA region, where the privatisation of a substantial proportion of state-owned sector makes future growth

more dependent on private sector growth. An environment conducive to the growth of these large firms should also benefit small private firms, as a climate amenable to endogenous regional development would foster the growth of all firms (Pyke and Sengenberger, 1992).

1.5 Overview of Research Process

The author opted to start her research with Egyptian companies for more than one reason. First, as an Egyptian entrepreneur, her personal circumstances provided unique access to that market. Second, Egypt has had a long history in leading modernization in the MENA region that goes back to the start of the 19th century.

To embark on her field research, the author set out to engage Egypt's leading entrepreneur in her project. This individual not only knew "who-is-who" in Egypt's top business circles, but also the leading entrepreneurs throughout MENA. He agreed to have his company be the pilot case for the author's research and put in a good word with others inside and outside Egypt to help her out. From that start, the author compiled an extensive sample of 108 HGRI MENA firms, and conducted detailed work on eighteen of them. The work included field participation and observations by the author, visits to each firm's site, and lengthy interviews with top managers in each firm, data collection from independent sources, surveys of specialized business journals/periodicals in MENA, intensive interviews with top international business observers and feedback to firms' CEOs. The compressed sample of eighteen firms constitutes the empirical backbone of this study.

The fieldwork was preceded by a lengthy literature review. The theories normally explaining internationalisation in the international business literature proved inadequate on their own to explain the empirical findings of initial fieldwork. Hence new theories were considered and then fed back to inform subsequent fieldwork. Thus, a dialectical process between theoretical and empirical research guided the author's efforts throughout this study. As new facts emerged from the field about the behaviour of entrepreneurs or the performance of their firms, the author searched for pertinent theories to explain those facts. It became clear that the discipline was a

multidisciplinary jungle, but the author was able to identify three strands of relevant theories from international entrepreneurship, strategic entrepreneurship and portfolio entrepreneurship. At the end, it became evident that each of the identified theoretical bodies has its strengths and weaknesses. Each explains some features in the behaviour of entrepreneurs in the global economy, but falls short of a comprehensive explanation. It so happened that HGRI/ MENA firms fall at the intersection set of those three bodies of entrepreneurial theories. Thus the empirical work of this study strongly points to the need for a comprehensive theory of entrepreneurship, one that integrates all three strands in a uniform body. Figure 1.2 summarises the actual processes of researching this thesis. Note that this complex process has been simplified in the presentation of the thesis as detailed in ensuing section and as presented in Figure 1.3

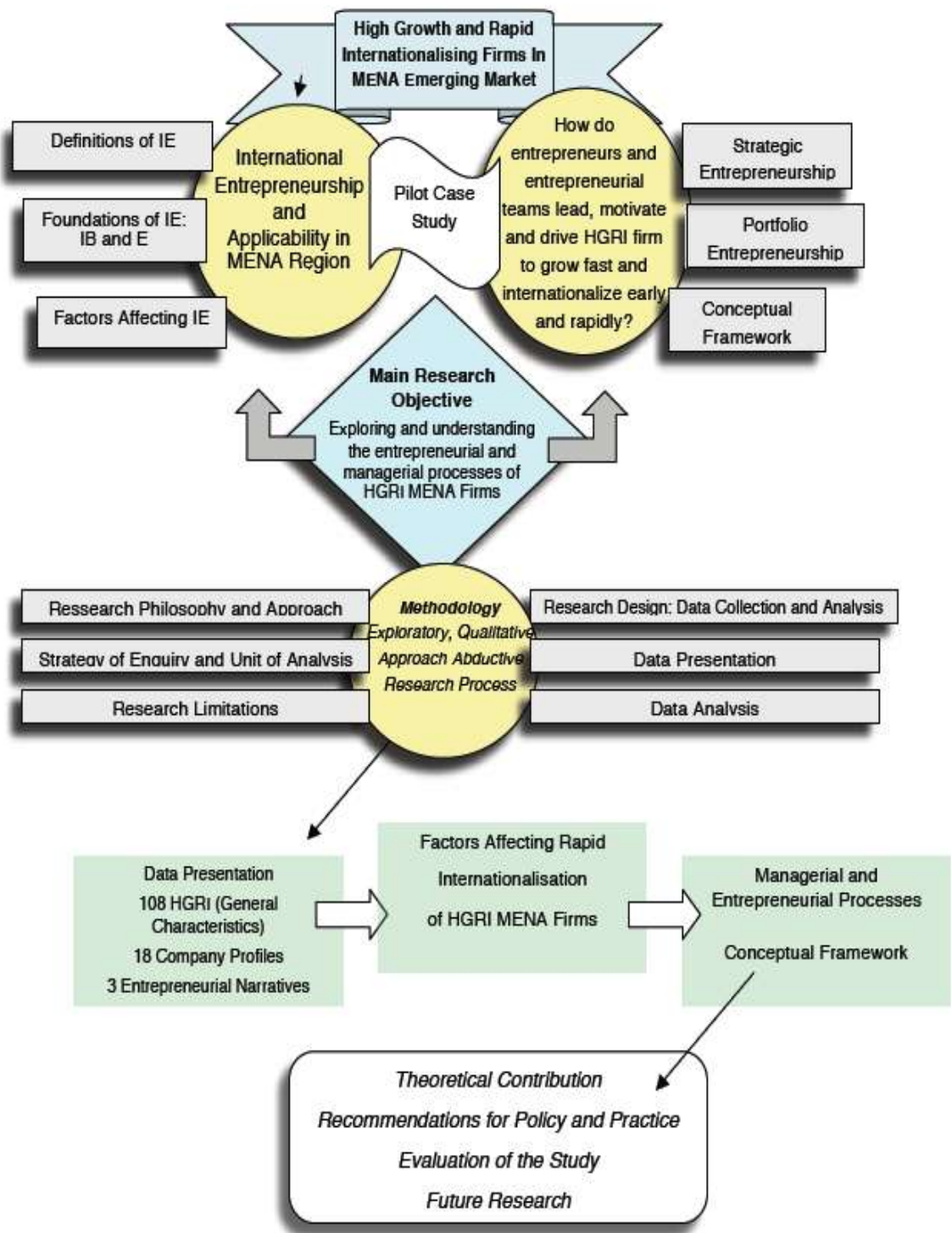


Figure 1.2: Flowchart of Actual Research
Source: Author

The main aim of the study is to explain the observed pattern of HGRI in firms from the MENA region. To address the research objectives and to answer the research questions, the researcher used the following modalities:

1. Construction of a comprehensive database of the universe of firms (108 firms) identified by the researcher according to the following criteria: turnover of one billion USD; over 100% total sales growth during a minimum period of six years; over 40% growth of annual sales during a minimum period of six years from international activities alone; ranking of firms in the Forbes Richest Firms in the World; more than 1000 employees /firm; minimum three companies per business group; minimum three international markets per company.
2. Based on the above universe of firms, the researcher selected a sample of eighteen firms, in addition to the pilot study. The rationale for selecting this particular firm was the personal access of the researcher to the lead entrepreneur, who took active interest in the study – as already indicated.
3. Construction of an empirical profile for each of the eighteen firms in the selected sample.
4. Analysis and discussion of the empirical findings against the conceptual framework of the study.
5. Turning to the study's objectives:
 - a. To determine the particular factors that drive MENA firms to grow fast through rapid internationalisation
 - b. To delineate the scope, extent and speed of internationalisation of those MENA firms
 - c. To define the tangible and intangible resources that set the internationalisation pace of the of MENA firms
 - d. To capture the managerial and entrepreneurial processes that the firms undergo to achieve HGRI

- e. To understand the dynamic capabilities of MENA firms – how managerial and technical skills are developed within to sustain the competitive advantage of MENA firms
- f. To determine the role of entrepreneurial teams in international diversification and the creation of business groups.

1.6 Thesis Structure

The structure and content of the thesis are outlined below, beginning from Chapter Two. Figure 1.3 represents the actual structure of the thesis presentation.

Chapter Two: Review of International Entrepreneurship Theories

This chapter reviews the international entrepreneurship (IE) theories. It analyses the concept of IE and its theoretical underpinnings. It provides a revision of the foundations, processes, behaviour, motivations and factors shaping the rapid internationalisation of firms. It reviews published work on IE to identify its underlying factors and identifies gaps in the application of adopted theories to developing countries in general and to the MENA region in particular. From that analysis, a conceptual framework suggests itself, which is used throughout this study to place the empirical work in its *initial* context.

This chapter ends with an explanation of the rationale for conducting a pilot study to guide the feasibility of a full-scale study. The pilot study was thus introduced to assess and delineate the road map for the research. The aim, method and findings of the pilot fieldwork are discussed to refine formulating the subsequent research questions and in the identification of notable gaps in the literature. It also emphasises the insight and benefit in methodological terms of undertaking a pilot exploratory study and its capacity to re articulate and enhance the research focus. The chapter concludes by identifying a need for an integrative conceptual approach that combines other strands of literature.

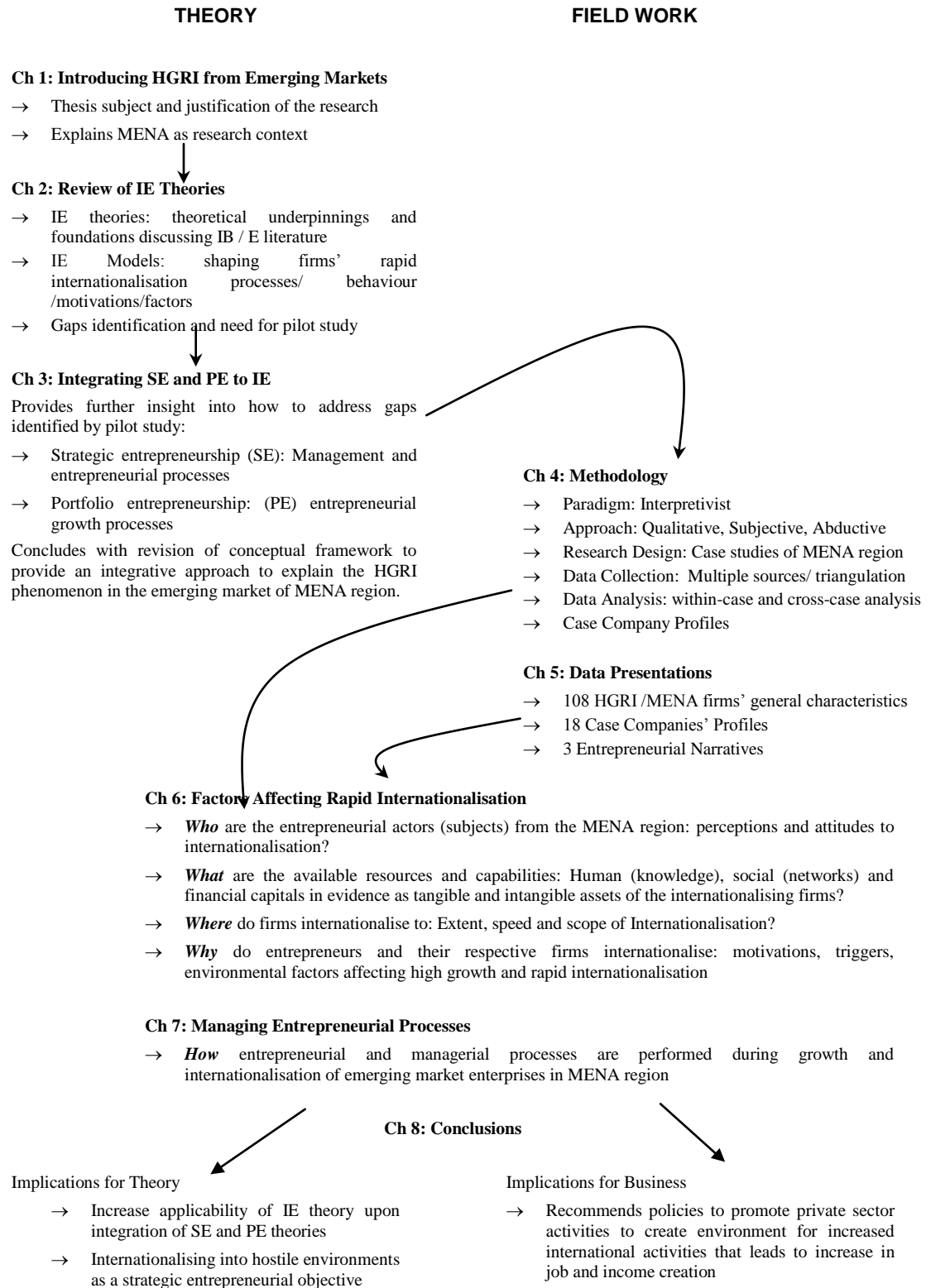


FIGURE 1.3: THESIS STRUCTURE, As Presented in Thesis

Source: Author

Chapter Three: Integrating Entrepreneurship Theories

The findings of the exploratory pilot study revealed that while I.E. research had examined the internationalisation process, it had yet to explore the *management* processes that are so important to making them happen effectively. This chapter reviews Strategic entrepreneurship theories that provide further insights into how to address these gaps. Additionally, the portfolio entrepreneurship literature contributes further dimensions to our understanding of entrepreneurial growth processes and their implantation. Consequently, the chapter offers a revision of the conceptual framework to provide an integrative approach to explain the HGRI phenomenon in the emerging market of MENA.

Chapter Four: Methodology

This chapter presents the research methods used in the thesis. After a brief discussion of some methodological issues in social sciences (and specifically in entrepreneurship research), the chapter outlines the methods used. The chapter identifies data sources used through the thesis: a) a data set pertaining to 108 HGRI firms from the MENA region as the universe from which the sample was drawn in 2008; b) a longitudinal data set of firms in diverse industries and different countries of the MENA region; c) information collected through a qualitative investigation of the theoretical sample of HGRI/ MENA firms. These sources of data differ in terms of geographical and population coverage as well as for the extent of information about the firms and their evolution over time. This study employs a multiple case study approach to explore the relevance and usefulness of the conceptual framework to the analysis of HGRI firms. This expanded the scope of the study to include interviews with different managerial level entrepreneurs and archival data that explore the notions to a point of data saturation, (Silverman, 1993).

Chapter Five: Data Presentation of Findings and Narratives of Case Companies

This chapter covers three sets of findings. The first looks at findings from secondary sources that enable the author to construct a dataset for the 108 HGRI /MENA firms. The creation of this data set is part of the exploratory quantitative preparation for the

qualitative analysis methods employed later. The dataset together with various descriptive statistics (tables, figures, charts and graphs) provides information about types of firms, entrepreneurs' net worth, business groups, entry mode, firms' international markets, and history of firms' internationalisation, sales levels and growth of firms through 2008. The second part of the chapter provides data presentation in a tabular form that demonstrates the detailed characteristics of the eighteen theoretically sampled case companies derived from the conceptual framework as guided by the literature reviewed in Chapters Two and Three. The third part presents an entrepreneurial narrative of three of the case companies sampled adhering to the thematic within case analysis employed in the research.

Chapter Six: Thematic Analysis and Discussion of Factors Affecting Rapid Internationalisation

The chapter presents the analysis and discussion of the fieldwork and its relation to the main theories that explain HGRI firms from emerging economies. The chapter addresses research objective by responding to research questions: *Who* are the entrepreneurial actors and what are their perceptions to internationalisation? *What* are the Human (knowledge), social (networks) and financial capitals; the tangible and intangible assets of the internationalising firms? *Where* do firms internationalise to: Extent, speed and scope of Internationalisation? *Why* do entrepreneurs and their respective firms internationalise: the motivations, triggers and environmental factors affecting high growth and rapid internationalisation. Emergent themes from the findings are also discussed.

Chapter Seven: Managing the Entrepreneurial Processes

Guided by conceptual framework (Chapter Three), this chapter addresses second research objective by responding to the research question of: *How* entrepreneurial and managerial processes are performed during the growth and internationalisation of emerging market enterprises from MENA region? This chapter discusses: mobilisation of resources internationally; firms' resource orchestration processes by development of dynamic capabilities to sustain entrepreneurial behaviour through innovation and proactiveness; entrepreneurial strategic leadership; portfolio

entrepreneurship, international diversification, entrepreneurial teams and the formation of business groups. The chapter concludes by presenting a multilevel input process-output model that constitutes the final conceptual model for high growth and rapid internationalising firms from the emerging market of the MENA region.

Chapter Eight: Conclusions

This research's contribution to theory is assessed in terms of its evaluation of the fit of international entrepreneurship theory to research context, and the increased applicability it offers when integrating SE & PE entrepreneurship theories for better explanation of the HGRI phenomenon. The research underlines the role of the entrepreneur (and entrepreneurial teams) in the discovery, evaluation and the exploitation of international business opportunities, thus in managing the HGRI processes. It shows the attractiveness of internationalising into hostile environments as a strategic entrepreneurial objective to achieve competitive advantages that propel firms' growth and performance in new international markets. The chapter recommends policies to promote private sector activities to create the environment for increased production and exports; and hence make a contribution to national employment and income creation. Another recommendation is to improve the quality of human capital, the true wealth of nations, through empowering education systems

Chapter Two: International Entrepreneurship Review

2.1 Introduction

This chapter is a brief overview of international entrepreneurship (IE) theories. It attempts to provide answers to two broad questions. The first is what are the foundations, processes, behaviour, motivations and factors shaping the rapid internationalisation of firms from emerging markets? The second is under what conditions do some entrepreneurs discover and exploit international opportunities?

To answer those questions, the chapter first analyses the concept of IE and its theoretical underpinnings. Second, it reviews published work on IE to identify its underlying factors. Third, the research identifies gaps in the application of theories to developing countries in general and to the MENA region in particular. From that analysis, a conceptual framework was developed which placed the empirical work in its initial context, and which led to the pilot study and to the subsequent refinement of the conceptual framework in Chapter Three. The rest of the chapter is organised as follows: Section 2.2 discusses the definitions and foundations of IE. Section 2.3 critically analyses the international business theories and discusses the economic and the evolutionary behavioural approaches to internationalisation, demonstrating its contribution to IE. Section 2.4 discusses entrepreneurship theories and shows their impact on IE literature. Section 2.5 examines the factors affecting IE by analysing three models representing the rapid internationalisation process. Contextual limitations of IE and identifying research gaps are presented in Section 2.6, followed by the initial theoretical framework of the thesis section in 2.7. A pilot study is researched to substantiate the applicability of IE literature to the MENA region context, and explain its high growth and rapid internationalisation adhering to the conceptual framework. The pilot study is discussed in Section 2.8. This chapter is summarised in Section 2.9.

2.2 International Entrepreneurship

The globalisation of the international market has led to the surge of International New Ventures (INVs), which paved the way to the rise of international entrepreneurship as an interesting subject of study. From the 1990s, researchers have paid attention to the motivations and patterns of rapid internationalisation of new ventures, a phenomenon that contrasts with the popular notion that firms engage gradually in international activities. INVs were initially defined as “business organisations that from inception seek to derive significant competitive advantages from the use of resources and sale of outputs in multiple countries” (Oviatt and McDougall, 1994). However, that analysis was limited to the so-called “born global” type companies, which started internationalising from start-up, not from previous phases of home market development.

This limitation was addressed by Zahra and Garvis (2000), who focused their analysis on existing (not start-up) companies, including large corporations. As firms shift their operations to the rapidly expanding international market they manifest latent entrepreneurial talents that had hitherto been dormant in those very firms. In the same vein, Bartlett and Ghoshal (2000) as well as Birkinshaw (1997) provided additional insights into IE by extending their analysis to MNCs in addition to INVs. Oviatt and McDougall (2003) updated their own earlier study in which they provide a more comprehensive definition of IE: “International Entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services” (Oviatt and McDougall, 2003).

This inclusion of non-start-up firms into the research agenda has established international entrepreneurship as a broader concept than originally envisaged. Its scope now is one which focuses on international entrepreneurial firms, regardless of size, age, or legal status. Additionally, previous literature has typically addressed either INVs or subsidiaries of MNEs. The intersection between those two types of firms facilitates the identification of other types of entrepreneurial international firms. Such firms, especially from emerging markets to which this study is dedicated, have received less attention by researchers. Attention turns next to definitions of IE,

which became an expanding research field with growing research interest since the 1990s.

2.2.1 Definitions of International Entrepreneurship

International Entrepreneurship is a young field of study, first introduced by Morrow (1988). Yet it has evolved as a major discipline by authors who brought into focus variant elements of both internationalisation and entrepreneurial processes. For example, Wright and Ricks (1994), Zahra and Schulte (1994) and Thomas and Mueller (2000) all discussed the role of national culture in shaping entrepreneurial interests in international business. From a different perspective, Steensma, Marino, Weaver, and Dickson (2000) and Lu and Beamish (2001) paid more attention to the budding alliances and cooperation among small and medium-sized enterprises (SMEs) entering the global economy. Other researchers showed special interest in the background of top management teams (Reuber and Fischer, 1997). Still, others dealt with the role of venture financing (Roure, Keeley and Keller, 1992).

One of the first empirical studies in IE was that by McDougall's (1989) on the international sales of new ventures. She defined international entrepreneurship as the development of international new ventures or start-ups that, *from their inception*, engage in international business. In the early 1990s, McDougall and Oviatt followed up with another empirical work dedicated to the “born-global ventures”, defined as a business organisation that, *from inception*, seeks to derive significant competitive advantage from the use of resources and sale of outputs in multiple countries. A synthesis of different definitions of IE during a fifteen-year period is presented in Appendix A.1. It demonstrates the expansion of the research field to include a wider variety of firms. That definitional comparison also reveals increased complexity of IE as a matrix of business activity with numerous dimensions that incorporates entrepreneurial attitudes and actions, processes and individual and organisational resources.

While some authors identify the scope of IE in new ventures, others emphasize innovativeness, proactiveness and risk-taking as principal elements of entrepreneurial behaviour. For example, Zahra (1993) suggested that the study of IE should

encompass both new and established firms, defining IE as “the study of the nature and consequences of a firm's risk-taking behaviour as it ventures into international markets”. Wright and Ricks (1994) suggested that IE is observable from the perspective of organisational behaviour as it examines the relationship between firms and the international environments in which they operate. Other authors recognise that a firm's business environment plays a role in influencing the expression of entrepreneurial activities (Zahra 1991, 1993) and in determining their returns to capital (Zahra and Covin, 1995).

In 2000, Oviatt and McDougall introduced a broader definition of IE that includes the study of established companies in their cross-border activities. They defined IE as “a combination of innovative, proactive, and risk-seeking behaviour that crosses or is compared across national borders and is intended to create value in business organisations”. Their definition used Miller's (1983) older notion of entrepreneurship as a phenomenon at the organisational level that focuses on innovation, risk-taking and proactive behaviour. The Oviatt and McDougall definition was more concerned with the entrepreneurial behaviour of those firms rather than being limited to the characteristics and intentions of the individual entrepreneurs. The key dimensions of entrepreneurship (innovativeness, proactiveness, and propensity to risk-taking) have led to what became known later as Entrepreneurial Orientation (EO). EO defines firms with entrepreneurial propensity as “risk-taking, innovative and proactive” (Covin and Slevin, 1991: 7). This definition supports the notion that entrepreneurship is also a firm-level attribute (and not just a personal trait). Innovativeness reflects a tendency to support new ideas, experimentation and new processes. Proactiveness refers to the *capacity* to anticipate and act on future needs and desires. Risk-taking indicates willingness to commit substantial resources, fully aware that the potential for failure may be high. Zucchella and Scabini (2007) proposed that EO elements can be applicable to established MNEs, thus addressing a shortcoming in the hitherto reached consensus that those large firms do not foster an innovation culture. In fact, many well-established companies work hard to foster innovation, support venturing and encourage risk-taking. Examples include giant companies like 3M, Microsoft, Apple, Google, among others.

In 2000, Shane and Venkataraman (2000) proposed that entrepreneurship is a process of discovery, evaluation and exploitation of new business opportunities. That prompted McDougall, Oviatt and Shrader (2003) to come up with a more elaborate definition that “International Entrepreneurship is the discovery, enactment, evaluation, and exploitation of opportunities – across national borders – to create future goods and services”. According to this definition, it follows that IE examines and compares how, by whom, and with what effects those opportunities are pursued and exploited across national borders.

2.2.2 Foundations of International Entrepreneurship

From the preceding review of definitions, it is evident that the roots of IE derive from two main bodies of research: International Business and Entrepreneurship theories. International Business theories explain the internationalisation of firms through two currents of research: economic and behavioural (process). The economic has its base in mainstream economics. Its examples include the eclectic paradigm, the transaction-cost approach, and internalisation theory. In those theories an “economic man” is assumed to have perfect information, which would lead him to choose the rational solution. By contrast, the behavioural approach derives from organisational theory, which replaces the economic man with a “behavioural man”. Section 2.3 gives a detailed and critical account of these theories.

In a similar fashion, Entrepreneurship literature also derives from two different roots: the entrepreneurial process and the entrepreneurial orientation. The former defines the entrepreneur as an individual that carries out entrepreneurial actions through a process of discovery, evaluation and exploitation of opportunities. By contrast, entrepreneurial orientation emphasizes innovativeness, proactiveness, and risk-taking as determinants of rapid internationalisation.

2.3 International Business Theories

The first theoretical framework of international business dates back to Adam Smith (1776), who argued for specialization in the conduct of international commerce: each nation should specialize in the production of goods in which it demonstrates absolute

advantage, exporting part of that production and importing in exchange other goods it does not produce efficiently. David Ricardo (1817) built on Smith's theory and put forward the principle of comparative advantage: each nation possesses a relative advantage in the production of goods that it produces more efficiently than others. A country should thus concentrate resources on the goods in which it has a greater comparative advantage and imports goods in which it has comparative *disadvantage*.

For a long time, the principles of Smith and Ricardo were the guiding light for international business. However, during the 1960s, analysts began to shift their interests from nations to firms, going beyond the broad principles of trade to the nitty-gritty business of direct investment and licensing.

As mentioned above, theories of international business may be divided into two groups in relation to internationalisation: the economic decision-based group and the evolutionary behavioural group (Benito and Welch, 1994). The most significant economic-based theories are the market power theory (Hymer, 1976), the Product Life Cycle (PLC) theory (Vernon, 1966, 1974), the Internalisation and Transaction Costs theory (Buckley and Cassen, 1976) and the Eclectic Paradigm (Dunning, 1988). Cost issues dominate all four theories and shape internationalisation decisions. However, most revolve around a static perspective. On the other hand, behavioural and evolutionary models add some dynamic aspects to the picture. They combine static aspects such as firm resources (including knowledge) and capabilities with dynamic elements such as learning processes, creation of new knowledge and its exploitation. Among the behavioural and evolutionary approaches to internationalisation, the most notable are the Uppsala model (Johanson and Vahlne, 1977) and the Network approach, both of which are taken up next.

2.3.1 Economic Approaches to Internationalisation

The models in this section are primarily cost-related, applicable to large-size companies. Two approaches to internationalisation dominate: the Transaction Costs and the Eclectic Paradigm (Dunning, 1997).

2.3.1.1 The Internalisation and Transaction Cost Approaches

In these approaches, costs are taken as the main determinant of the firm's international growth. In particular, it analyses how transaction costs affect the decisions of the firm and how management reacts to minimize these costs. Coase (1937) was the first to introduce the Transaction Cost approach. He argued that due to the transaction costs of foreign activities, it is more efficient for a firm to internalise export transactions, by substituting them with foreign direct investments (FDIs). Enterprises carry on various activities to achieve the result of profitable production of goods and services. However, these activities are possible not only through flows of other intermediate products, but also of knowledge and expertise. The imperfections in intermediate product markets induce avoidance of such market transactions by some firms engaged in international business and create the incentives within each to internalise external operations. Activities previously linked by market mechanism are thus brought under the control of the firm. In this sense, the firm and the market are alternative methods of organizing exchanges. The Internalisation Theory suggests that a firm internalises a transaction whenever the costs of using markets are higher than those of organizing internally. Transaction costs generally exist because markets are rarely perfectly competitive. Consequently, internalisation is likely to be an efficient choice. From this theoretical perspective, the firm attempts to reach a suitable level of efficiency by reducing risk and uncertainty using defensive assets (Williamson, 1975). This contribution supports the internalisation decision, due to limited rationality, opportunistic behaviour and inadequacy of the firms' resources. Those three factors enhance the efficiency of internalisation when compared to market transactions.

Building on this framework, Buckley and Casson (1976) identified various factors that determine the internalisation decision. Those factors do not depend only on market imperfections but also on the organisational capabilities of the multinational company, especially in terms of internal market organisation and coordination.

2.3.1.2 The Eclectic Paradigm (Dunning, 1997)

During the 1980s, John Dunning developed a general framework that integrates several existing theoretical approaches. By his own admission, Dunning did not consider his work a general theory, because it has limited power to explain particular kinds of international production, and even less power to explain the behaviour of individual enterprises. He argues that national firms are flexible in selecting their growth paths: they diversify horizontally into new products; vertically into new activities; launch mergers and acquisition; or expand towards new markets. In selecting the last option, they become international enterprises, which are defined as firms servicing foreign markets. For a firm to develop transactions abroad efficiently, it can rely on one or more of the following three conditions: ownership-specific advantages (O advantages), location-specific advantages (L advantages) or internalisation incentive advantages (I advantages). Those elements are further explored in the following advantages:

- Ownership-specific advantages: The first condition is the possession of assets, meant as anything capable of generating a future income (Johnson, 1970), which competitors do not possess. Dunning defines those assets as ownership advantages. They include intangibles such as technology, brand name and economies of scale. Such advantages stem from the exclusive privileged possession of or access to particular generating income assets.
- Location-specific advantages: These are assets specific to given locations that promote firms' performance. Growth of firms in international markets originates from location advantages that help reduce costs of production factors such as labour, energy or materials; they may also result from easier market access, due to import restrictions or high transport costs that dampen exports to foreign markets.
- Internalisation-incentive advantages: Dunning saw that Ownership and Internalisation advantages are closely interrelated. Internalisation advantages arise when the potential returns from the O advantages are

higher if they were transferred across borders within the firm's organisation rather than sold to third parties in the international markets. Firms that undertake foreign production internalise their O advantages in foreign markets (joint ventures, licensing, FDI). In so doing, those firms may also generate new O advantages and increase the benefits of internalising.

2.3.2 Behavioural and Evolutionary Approaches to Internationalisation

The behavioural and evolutionary approaches refer to two distinct models: organisational learning (stage theories) and a network approach. As previously indicated, both models form their methodological base on the concept of market knowledge. In both, firms absorb experiences gained from foreign markets and translate them into new operational knowledge. The stage theory (Uppsala model) is based on progressive experiential knowledge, obtained through incremental international commitment that reduces the firm's perception of market uncertainty. The network theory indicates that the development of cooperative relationships with customers, suppliers or other business partners may accelerate the internationalisation process of the firm.

2.3.2.1 The Uppsala Model

The Uppsala model is based on the behavioural theory of the firm, which Johanson and Vahlne (1977) articulated. They describe internationalisation of the firm as a process whereby firms gradually increase their international involvement. The foundations of the model date back to "The Theory of the Growth Of The Firm" by Penrose (1959), who considered knowledge to be an asset gained mainly through experience. Johanson and Vahlne (1977), after observing several Swedish companies, elaborated a model to explain the international involvement of firms. The model describes a gradual process that influences the pattern and pace of internationalisation. As the firms acquire knowledge about foreign markets, they might commit more resources to deepen their involvement in those markets. In so doing, a welcome by-product emerges: reduction of uncertainty. The authors used

this dynamic model to elucidate the steps of the internationalisation process, where the output of one decision becomes the input of the next, and so on.

Gradualism in the internationalisation process implies four consecutive stages: *ad hoc* exports; export through agents; sales subsidiary; and production subsidiary. The model shows that firms begin their operations abroad, in “psychically close” markets and only gradually penetrate more distant markets. Consequently, the less familiar a firm is with a foreign market, the greater the uncertainty associated with it. Thus, firms will enter markets they can understand better and where they perceive low uncertainty in order to minimize risk and find new opportunities through experimental knowledge. This is the reason for incremental steps and sequential engagement in foreign markets. While the Uppsala model gained support by many authors, it received extensive criticism by others.

Reid (1984) argued that the “psychic distance” concept is not valid. Contemporary companies enter directly into markets that are neither close nor similar to their home country. Sullivan and Bauerschmidt (1990) tested the model’s incremental internationalisation hypothesis and concluded that the empirical evidence did not support this hypothesis. They argued that at present, lack of market knowledge is not always a problem: the internationalisation of industries gives firms equal chance to access international market knowledge. They also added that the model does not take into account that firms in general prefer to export to regional areas than to individual countries. Anderson (1993) questioned most notably the theoretical and methodological robustness of the Uppsala model. He argued that the model is too deterministic and it might be valid only in the early stages of internationalisation when lack of market knowledge and resources are limiting factors. These considerations are consistent with recent discussion of the applicability of the model to accelerated internationalisation of INVs. McDougall, Shane and Oviatt (1994) reasoned that those firms typically face market conditions that require immediate knowledge of how to sell products in different environments. The Uppsala model is thus unable to explain the emergence of INVs because those firms skip the establishment sequence described in the model. In effect, internationalisation of INVs is a case of “Leapfrogging”. McDougall, Shane and Oviatt (1994) noted yet

another weakness of the Uppsala model, namely that it does not include the entrepreneur, the importance of which is self-evident.

In response to such critiques, Johanson and Vahlne (1990) extended the explanatory power of the model by adding new concepts and variables, most notably new knowledge and business networks that are embedded in the newly hired skilled personnel. To clarify the role of added resources in the internationalisation of firms, the authors in subsequent studies (2003, 2009) distinguished between firm experience and market experience. They argued that market knowledge is country but not firm specific. That knowledge accumulates with increased involvement of firms in target markets. In their more recent studies, the authors underlie the critical role of business networks as they maintain that business relationships and industrial networks are subtle phenomena not easily observed by outsiders. In the model, it is assumed that "market" (i.e. network) knowledge is based on experience from current business activities, or current business interaction. Entry into foreign markets or networks is therefore the result of interaction initiatives taken by other firms in the network. The relationships developed by the firm are viewed as bridges to other networks that are important in the initial steps abroad and in the subsequent entry into new markets.

2.3.2.2 The Network Model

The network approach is not new to business. However, its application to internationalisation is novel (Mtigwe, 2006). It views market exchange as an interaction among market actors as foreign individuals and firms (Johanson and Mattsson, 1988). A firm's network is a source of market knowledge that a firm would otherwise take much longer to acquire (Chetty and Campbell-Hunt, 2003).

From this perspective, internationalisation depends on network relationships rather than on a firm-specific advantage or the psychic distance of the target market. With these relationships in place, externalization of transactions is more likely to occur than internalisation. The resultant informal division of labour in a network prompts firms to become dependent on these external resources. Companies are then in a position to internationalise with the help of partners who provide contacts and help develop new partnerships.

Having a network orientation and identifying the roles and the strengths of the actors within it gives the firm an understanding of possible constraints and opportunities for its operations (Johanson and Vahlne, 1992). Johanson and Mattsson (1988) maintain that a firm can increase knowledge with the help of links with other actors in the network thus influencing the direction of its decision-making. They describe firms they call “International among Others” as those characterized by a high degree of internationalisation; those that have developed and established resources in foreign markets. Those firms are in a position to exploit the highly internationalised network position, which provides them with better business knowledge, thanks to the greater interdependency through their network.

2.3.3 The Contribution of International Business to IE

The referenced international business theories in the above sections have several linkages with theories of international entrepreneurship. The IB approaches explain the emergence of IE as an independent subject of study. In effect, the justifications for the emergence of IE lie in the criticism of traditional IB concepts.

The distinction made earlier between economic theories and behavioural theories in the internationalisation process is relevant in the analysis of international entrepreneurship. The economic theories fail to explain the emergence of international entrepreneurial firms. They postulate that firms first develop a strong position in their domestic markets and only later try to exploit this advantage in foreign markets. This is contrary to the postulates underlying the development of INVs.

On the other hand, a closer look at some of these theories reveals important issues about resource mobilization, knowledge acquisition and network dynamics, which are at the core of IE. IB literature describes the role of resources in collecting information about foreign markets and scouting opportunities to promote their competitive advantage of multi-location. Knowledge acquisition provides the framework for identifying and exploiting international opportunities through appointing skilled personnel with international expertise. Last, the network approach is particularly useful when considering entrepreneurial firms, which rely on the

diffused knowledge or ease of access to resources within the network in order to develop an international strategy.

The personal and organisational network is a mechanism to reduce cultural distances in international operations, and for supporting the transmission of information and knowledge. IB theories provide valuable insights into the internationalisation activities in IE research. The entrepreneurship literature has influenced the foundations of IE, as shown next.

2.4 Entrepreneurship Literature

The contribution of entrepreneurship theories to IE is reflected in the most prevalent views of entrepreneurship that revolve around two factors: (a) innovation as the key to defining an entrepreneur; and (b) the perception of new economic opportunities and the subsequent introduction of new ideas to the market, domestic or foreign. Schumpeter (1934, 1942) was the first to define the entrepreneur as a leader and contributor to the process of “creative destruction”. Characteristic of entrepreneurs is simply doing new things, or doing existing things new ways (innovation). Entrepreneurial performance is the ability to perceive new yet unproven opportunities. It thus follows that internationalisation is an example of entrepreneurial action. Half a century later, Kirzner (1997) developed the “theory of entrepreneurial discovery”, which views the market as an entrepreneurially driven institutional set-up. Discovery is therefore not accidental, but generated by the possibility of profit. The implication is that entrepreneurs tend to be more alert than others, motivated more keenly by profit incentives. The key concept of this theory is alertness to potential opportunities.

The behaviour of entrepreneurs is not limited to individuals but extends to groups that may then give birth to a firm's novel organisation (Gartner, 1985). Even established organisations can also behave entrepreneurially (Shane and Venkataraman, 2000). Generally, the activities of entrepreneurs involve alertness to scan opportunities, evaluate such opportunities, risk-taking to mobilize resources, and the coordination of resources to create new products, services or ventures.

2.4.1 The Role of the Entrepreneur

Entrepreneurship has, in fact, meant different things for different authors, because practitioners and researchers have developed separate definitions. Some authors focus on entrepreneurship in terms of the creation of new firms while others focus on organisational growth, transformation and innovation. Still others study the traits and characteristics of entrepreneurs, often economics with psychology in an attempt to explore the attitude and behaviour of entrepreneurial firms. In defining the characteristics of entrepreneurs and entrepreneurial firms some authors underline attributes such as alertness, while others devote more attention to tolerance of uncertainty and risk-taking or innovativeness. In defining its scope, Gartner (1989) highlighted entrepreneurship as a *creative* process. More explicitly, Shane and Venkataraman (2000) described it as the inquiry into how, by whom, and the impact of opportunities to create future goods and services get discovered, evaluated, and exploited.

Different definitions of entrepreneurship are often used for different purposes, as befits the context being studied. In the context of international entrepreneurship definitions must combine both new organisational forms with processes of innovative behaviour by entrepreneurs. With these requirements in mind, the researcher accepts a definition of entrepreneurship as the creation of new ventures and organisations; the creation of new combinations of goods and services, methods of production, markets and supply chains; the recognition and exploitation of new and existing opportunities, cognitive processes, behaviours and modes of action to exploit new and existing opportunities. The researcher is further persuaded to describe entrepreneurship as the examination of creative efforts, of the individuals and teams involved in the emergence of new ventures and organisations, of the distinctive strategies employed, as well as the macroeconomic and wealth-creation impact of entrepreneurial endeavour. This broad definition enables the research to accommodate different contexts. Such contexts include new firms and organisations, existing corporations, family businesses, and new international entrepreneurial activities. The entrepreneur is acknowledged as a key factor in many approaches. It is also important to consider a firm-level approach, distinguishing small-firms and

family businesses from corporations. The entrepreneur remains a source of innovation and creativity: this individual differs from a manager who is involved in routine activities such as ordering, scheduling and administration. The entrepreneur is able to scout opportunities, address or anticipate market needs, take risks, and pool resources together to create new products or shape new ways of providing services.

Kirzner (1973, 1997) made his major contribution to the theory of entrepreneurship, defining entrepreneurs as individuals who grasp opportunities for pure profit created by temporary absence of full market adjustment. He sees the entrepreneur as what he calls an “arbitrageur” who engages in arbitrage to smoothen out market exchanges by buying low and selling high. The entrepreneur maintains high alertness to facilitate the convergence of market supply and demand. For Kirzner (1997), the profit opportunity and discovery are elements in market operation, where the entrepreneur is a discoverer of profit opportunities. In so doing, he is responsible for movements in prices and production in the short term, and for progress and growth of the firm in the long term. Kirzner highlights the limitations of neoclassical economics with regards to knowledge, market coordination and entrepreneurial adjustment to market conditions. He stressed the role of the arbitrageur as an agent that leads the market towards equilibrium. Insightful as Kirzner was, he neglected to consider innovation in his theory. It was Schumpeter (1947) who linked innovation with entrepreneurship, defining innovation in broad terms and describing the entrepreneur as an equilibrium breaker rather than an arbitrageur.

2.4.2 Entrepreneurship and Internationalisation

Studies of entrepreneurship and internationalisation are closely interrelated; they share complementary theoretical interests and empirical developments. Entrepreneurship and internationalisation are generally accepted as economic or behavioural factors associated with the creation of value by assembling a unique package of resources to exploit an opportunity (Morris *et al.*, 2001; Johanson and Vahlne, 2003; Jones and Coviello, 2005). Others describe internationalisation as a mixture of proactive behaviour, innovation, risk-seeking and value creation.

Behaviour is the outcome of business decisions and actions in response to certain conditions at a specific point in time.

Covin and Slevin (1991) argue that behaviour is the central and essential element in entrepreneurial activities and that an organisation's actions (or behaviour) are what makes it entrepreneurial. Moreover they state that

“.....behaviour is, by definition, overt and demonstrable....Knowing the behavioural manifestations of entrepreneurship, we can reliably, verifiably and objectively measure the entrepreneurial level of the firm,” (p. 8).

Managing a firm may mean merely imitating the ideas of competitors to generate high returns. The three elements of entrepreneurship (innovativeness, proactiveness and risk-taking) do make a difference between firms' performance. The authors further argue that adoption of a firm-behaviour model of entrepreneurship is more advantageous than entrepreneurship models that focus on traits of individual entrepreneurs. A firm-level analysis is consistent with the entrepreneurial effectiveness of the firm. Besides, an individual's psychological profile does not make a person an entrepreneur. More than any other attributes, a firm's behaviour gives meaning to entrepreneurial profiles, and only through actions can we truly know the entrepreneur.

Entrepreneurial orientation is a key factor of rapid internationalisation (Yamakawa, Peng and Deeds, 2008). It refers to a firm's strategic vision, capturing entrepreneurial aspects of decision-making styles, methods, and practices (Lumpkin and Dess, 1996). In effect, EO is a combination of three elements stated earlier: innovativeness, proactiveness, and risk-taking (Covin and Slevin, 1991; Wiklund, 1999). Innovativeness reflects a tendency to support new ideas, novelty, experimentation, and creative processes, thereby departing from established practices and technologies (Lumpkin and Dess, 1996). Proactiveness refers to anticipating and acting on future wants and needs in the marketplace, thereby creating a first-mover advantage against competitors (Lumpkin and Dess, 1996). With such a forward-looking perspective, proactive firms capitalize on emerging opportunities. Risk-taking is associated with a willingness to commit substantial resources to projects where the cost of failure may

be high (Miller and Friesen, 1978). It also implies committing resources to projects where the outcome is unknown. This suggests that firms with an EO are more able to see opportunities, take risks and exploit these opportunities, committing adequate resources. Entrepreneurial firms often initiate actions to which competitors then respond, and are frequently first-to-market with new offerings.

Research suggests that, as a part of the entrepreneurial process, most entrepreneurs who internationalise perceive international opportunities from the start (Oviatt and McDougall, 1994). Entrepreneurship and internationalisation appear closely interrelated. They are generally accepted as economic or behavioural activities associated with the creation of value by assembling a unique package of resources to exploit an opportunity (Morris *et al.*, 2001; Johanson and Vahlne, 2003; Jones and Coviello, 2005). This entrepreneurial process is also implicit in the Oviatt and McDougall definitions (2000 and 2003) of International Entrepreneurship. This definition follows the Covin and Slevin (1991) description of internationalisation as a mixture of proactive behaviour, innovation, risk-seeking and value creation.

2.5 Factors Affecting International Entrepreneurship

For years, research on international entrepreneurship has focused mainly on two firm types from developed economies: INVs and subsidiaries of MNEs. Bell *et al.*, (2001) defined a group he called “Born-Again Global” firms. Those are firms well established in their domestic markets, with motivation to internationalise, but which have suddenly embraced rapid and dedicated internationalisation. Yamakawa, Peng and Deeds (2008) concluded that international entrepreneurship research to date had largely focused on new ventures based in developed economies; it had not paid much attention to new ventures based in emerging economies. To generalize research on international entrepreneurship three studies stand out: Zahra and George’s “Integrated Model of International Entrepreneurship” (2002), Jones and Coviello’s “Internationalisation: Conceptualising an Entrepreneurial Process of Behaviour in Time” (2005) and Oviatt and McDougall’s “Model of Forces Influencing Internationalisation Speed” (2005).

2.5.1 Integrated Model of International Entrepreneurship

Zahra and George (2002) cast their model to answer the question "*what contextual factors influence the internationalisation of entrepreneurial firms?*" By contextual factors they mean those conditions that make internationalisation more attractive and lucrative. They identify three factors that influence IE: organisational, environmental and strategic (Figure 2.1). Organisational factors refer to the top management team (TMT), firm resources, and firm-related variables (such as age, size, financial strength, location, and origin). Environmental factors include industry characteristics, country institutional and regulatory environments among others. Strategic factors refer to firm competencies, strategic differentials (home/host countries) and entry strategies. Companies with specific competences can transfer these capabilities to international markets, gaining advantages from their international expansion.

The authors claimed that the role of institutions in fostering entrepreneurship and internationalisation of these ventures has not been investigated. However, they admit that few theoretical works suggested that certain types of institutions provided opportunities for firms to develop their networks and attract international partnerships for expansion (George and Prabhu 2000).

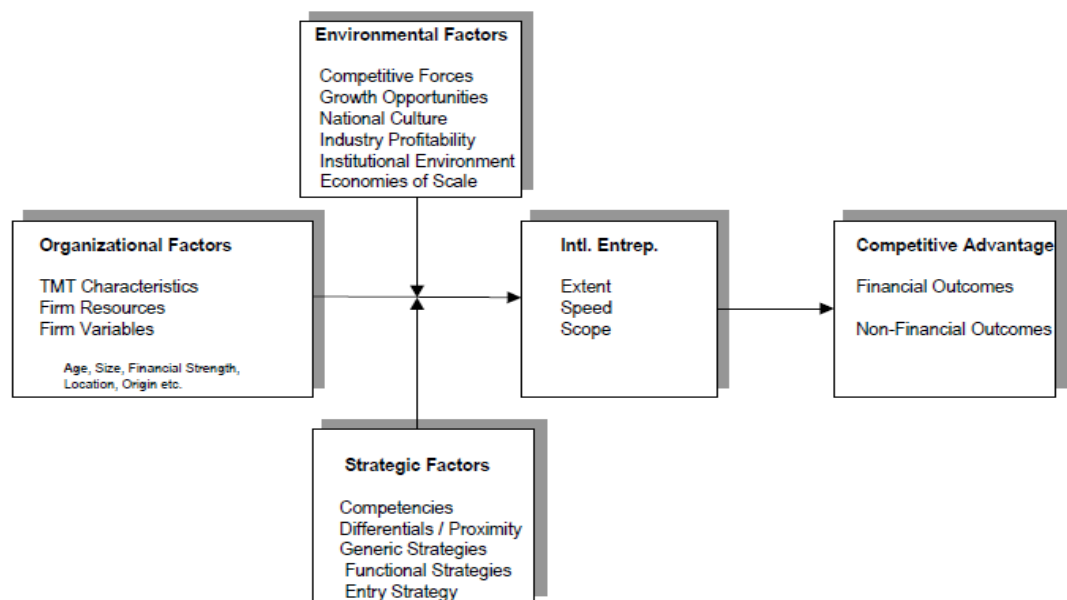


Figure 2.1: Model of International Entrepreneurship

Source: Adaptation based on Zahra and George (2002)

In their model, strategic and environmental factors operated as moderators determining the strength of the relationship between organisational variables and IE dimensions.

The authors studied international entrepreneurship in three dimensions: extent, speed and scope. Extent is the dependence of the firm on international revenues or the number of new markets that a firm enters. Speed measures the rate at which the firm enters new markets. Scope refers to the diversity of the internationalisation process, either in terms of geographic coverage or product composition. Outcomes of International Entrepreneurship can be measured by two groups of indicators: (a) financial (e.g. profit, return on capital); (b) non-financial (e.g. assets, sales growth, and knowledge acquisition).

2.5.2 Internationalisation: An Entrepreneurial Process

Jones and Coviello (2005) present their work as a general model that includes several variables affecting internationalisation, with special attention to time and behaviour (Figure 2.2).

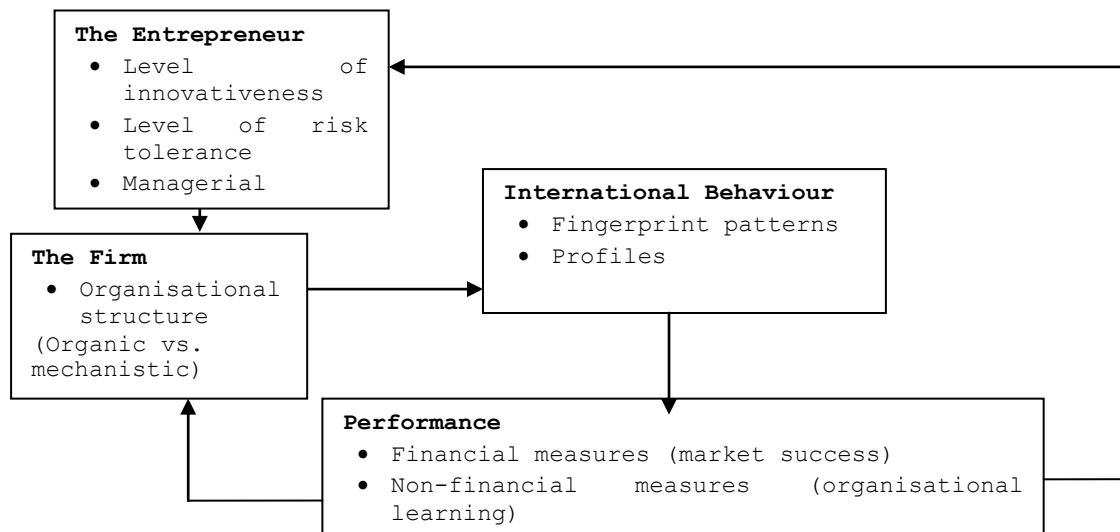


Figure 2.2: Entrepreneurial Cyclical Behaviour
Source: Adaptation based on Jones and Coviello (2005)

The most relevant variables belong not only to entrepreneurial and firm factors, but also to environmental and performance factors. The model depicts a process of “cyclical behaviour”, where the entrepreneur and the firm are the main actors. However, environmental factors may affect international behaviour. Performance factors may operate as a feedback indicator. The authors treat internationalisation as “value-creating events” that consist of cross-border business activities between the firm and organisations or individuals in foreign countries. The model refers to “fingerprint patterns” and to “profiles” defined as a “composite of the number and range of cross-border business modes established by the firm, and the number and distance of countries with which those modes were established at a given point in time”

Jones and Coviello describe changes in the composition of internationalisation events as “dynamic profiles” (p. 293). The authors see entrepreneurial international behaviour as a form of innovation. Such innovation may take place or cease to exist at any time, leading to several international decisions. Those decisions allow companies to exhibit entrepreneurial spirit in the international environment, and thus become strong candidates to survive the rigors of the global markets.

2.5.3 Forces Influencing Speed of Internationalisation

Oviatt and McDougall (2005) present their model to identify the “Forces Influencing the speed of internationalisation”. The model begins with an entrepreneurial opportunity. It depicts the enabling forces of technology, the motivating forces of competition, the mediating perceptions of entrepreneurs, and the moderating forces of knowledge and networks. Collectively, those forces determine the speed of internationalisation (Figure 2.3).

Entrepreneurial internationalisation begins with a potential opportunity. The entrepreneurial actor somehow discovers such an opportunity because his focus is not on the nature of discovery or enactment, but the speed of converting the opportunity into an international venture. Specifically, the model shows that four forces determine the speed of entrepreneurial internationalisation: (1) enabling; (2) motivating; (3) mediating; and (4) moderating.

1. The *enabling* force of technology: though autonomous from the firm, it could contribute directly to accelerated internationalisation. For example, faster and more efficient transportation to and from foreign countries has brought down costs for foreign trade and investment.
2. The *motivating* force of competition: whereas technology makes for faster internationalisation, competition encourages or even forces it upon entrepreneurs. In responding to competition, entrepreneurs may enter foreign markets in defence of their overall position at home and abroad.
3. The entrepreneur is a *mediating* force. Through the lens of their personal experience (e.g., years in international business) and propensity for risk-taking, entrepreneurs assess opportunities, the potential of communication, transportation, computer technology, and the degree of threat from competitors before they engage in international markets. From the IE perspective, the key to rapid internationalisation is the entrepreneur. He is the one that possesses the skills and enough information to measure the opportunities in the market with ability to create and make stable relationships with other firms, suppliers, customers, government and media.

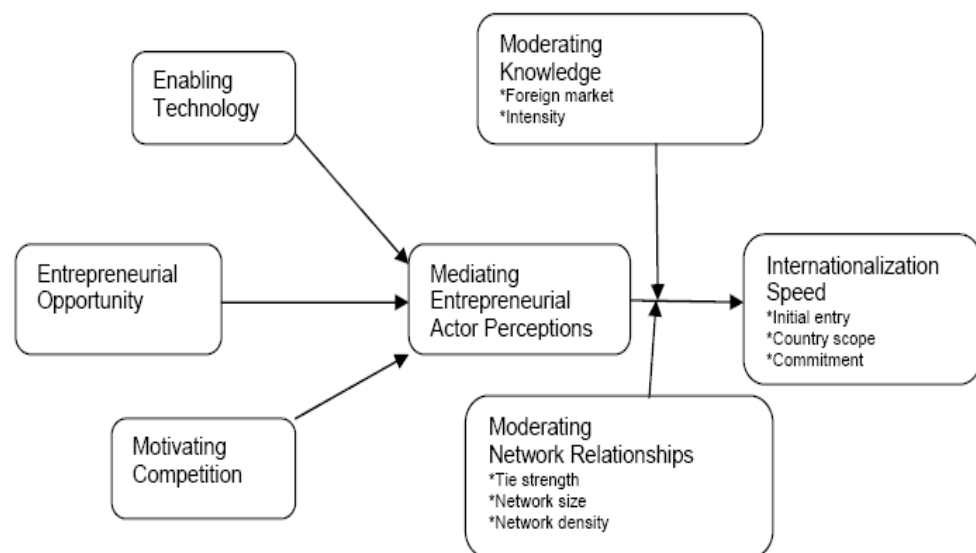


Figure 2.3: Forces Influencing Internationalisation Speed
Source: Oviatt and McDougall (2005)

4. The *moderating* force: of both knowledge and networks influence the speed of internationalisation. Bell, McNaughton, Young, and Crick (2003) underlined the importance of knowledge in speeding up the internationalisation of firms. Furthermore, networking is a powerful tool for the entrepreneur because it avails him immediate access to knowledge (Dubini and Aldrich, 1991). Network analysis has been a powerful framework for international entrepreneurship researchers (Oviatt and McDougall, 1994; Bell, 1995; Coviello and Munro, 1995, 1997). Oviatt and MacDougall (2005) specify that cross-national-border networks in combination with knowledge-types, moderate the speed with which international entrepreneurial opportunities are exploited.

2.5.4 Identifying Research Gaps

The preceding IE models show their focus on the crucial role of the firm's resources, especially the top management team (TMT). The models show the importance of previous international experience, foreign education and the vision of the management team (Carpenter, Sanders and Gregersen, 2001). Those experiences influence the TMT outlook and the firm's internationalisation process (e.g., Oviatt and McDougall, 1995; Madsen and Servais, 1997; Crick and Jones, 2002; McDougall *et al.*, 2003). Analysing IE models reveal their focus on the motivators at the firm level and in particular on the crucial role of firm resources, among which the TMT plays a relevant part. The models divulge the importance of previous international experience, foreign education and the vision of the management team (Carpenter, Sanders and Gregersen, 2001). There is some agreement amongst leading researchers that the international experience of entrepreneurial managers' teams influences their international outlook and the firm's internationalisation process (e.g., Oviatt and McDougall, 1995; Madsen and Servais, 1997; Crick and Jones, 2002; McDougall *et al.*, 2003). However, IE literature does not address the entrepreneur's travel or strategic decision-making, global vision, networking or experience (this gap is addressed in Chapters Six and Seven).

The resource-based view appears rich and potentially conclusive in terms of empirical findings, but remains too static (Zucchella and Scabini, 2007). Researchers have focused on the firm's resources because they influence IE. At the level of the entrepreneur, the literature reviewed entrepreneurial characteristics and attitudes. At the firm level the literature considered how the firm's unique assets influence the speed of internationalisation. Unique assets include product innovativeness, intangible assets such as reputation, local and global networking. Different researchers examined issues of discovery, evaluation, exploitation and exploration of opportunities to explain how entrepreneurs manage the internationalisation of their firms. Meanwhile, the literature has paid less attention to the dynamic variables affecting IE over time, in a process perspective (Jones and Coviello, 2005). Hence, a research gap exists in the IE literature regarding organisational learning and dynamic capabilities. The entrepreneur's TMT developed knowledge in INVs, based on their own experience, attitudes, skills and background. However, the linkages between individual and organisational learning are not always spelled out and the literature has rarely included discussion of core organisational processes. The identification of such processes and their dynamic capabilities would permit the analysis of different categories of INVs and established MNEs. Such an approach may allow the applicability of this analysis to INVs from emerging markets – which is the broad context of this research. The present study addresses this gap in Chapter Six and Seven.

In a highly competitive and dynamic environment, entrepreneurs adapt and reconfigure their skills to changing market conditions and evolving global opportunities. For this reason this study proposes a dynamic approach (Chapter Three) to complement other traditional approaches to international entrepreneurial firms from emerging markets. This will be discussed in the subsequent section upon analysing the applicability of IE to the context of other emerging markets. In particular, this work outlines the firm's capacity to mobilize and combine dynamically external and internal resources, to pursue innovations, including foreign market entry at different units of analysis. Additionally, the dynamic capabilities

approach will be discussed further in Chapter Three through the strategic entrepreneurship literature review.

2.6 Contextual Limitations and Identifying Additional Gaps

IE theories succeeded in identifying the resources, capabilities and behaviour of both individuals and organisations that support entrepreneurial orientation and rapid international growth. However, it received criticism for failing to consider the entrepreneur's role in the internationalisation from emerging markets. An assessment of those limitations is necessary before researching in detail the applicability of the theory to the MENA region. Such assessment will be carried out in the pilot study in section 2.8. Internationalisation has become an important growth strategy for entrepreneurial firms around the world (Luo and Tung, 2007; Yamakawa, Peng and Deeds, 2008; Beamish and Lupton, 2009). However, the MENA region was rarely studied in an international entrepreneurial perspective. The applicability of IE research in emerging markets reveals some contextual shortcomings. This enabled the author to identify additional gaps, some of which are theoretical, some empirical.

2.6.1 Applicability of IE in Emerging Market Context

This section focuses on the investigation of empirical studies that discuss the applicability of international entrepreneurship to the analysis of high growth-rapid internationalisation of firms from emerging economies. How much do we know about the origin of those firms, their mode of operation, their strategies and organisation? These firms are quite different from conventional and resource-rich MNEs in terms of origins, growth patterns, and organisational forms and strategies. Yet they have received much less conceptual and empirical attention (Mathews and Zander, 2007). In their latest paper, Yamakawa, Peng and Deeds (2008: 59) mentioned:

“The internationalisation of new ventures from emerging economies to developed economies remains an unfilled gap at the intersection of the literature between international entrepreneurship and strategy in emerging economies.”

Drawing on Yamakawa, Peng and Deeds,³ (2008) assessment, this section focus on international entrepreneurship in emerging markets. The dominant theories of internationalisation, for example the product life cycle (Vernon, 1966), market imperfections (Hymer, 1976), transaction cost (Williamson, 1975) and eclectic paradigm (Dunning, 1977) were focused on the activities of MNEs from developed economies (Ibeh, 2003). However, in recent years the literature has started to take serious interest in firms from emerging markets, especially Asia-Pacific region or the BRIC group. These studies presented evidence to confirm the international entrepreneurial behaviour of firms from emerging economies, which lead to their high growth and rapid internationalisation. Still, no studies appeared on firms from the Next Eleven³ emerging countries, or from the MENA region. This subject is taken up next.

2.6.2 Studies Applying IE to MENA Region Context

As just stated, only limited research has explored international entrepreneurship in emerging economies. Significantly, the emerging economies of the Middle East and North Africa have been completely absent from the literature (Bruton, Ahlstrom and Obloj, 2008). Between 1990 and 2006, the authors found not a single article dedicated to entrepreneurship in the MENA region. Given the non-democratic nature of the regimes that rule most Middle Eastern countries, Nasra and Dacin (2009), contend that state-business relations within these countries are highly contingent on the nature of the institutional environments and frameworks that exist in each country.

Most recently, Wharton Business School identified another group of developing economies with hopeful potential; it called them "CIVETS".⁴ The group was touted as promising markets because they have diverse economies, fast-growing

³ Goldman Sachs Investment Bank coined the term in their report of December 2005, when a group of emerging economies showed promising outlook at the time for future growth. The group is comprised of Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, S. Korea, Turkey, and Vietnam.

⁴ Wharton Business School: in their on-line business journal *Knowledge at Wharton* published an article titled "The New BRICS on the Block: Which Emerging Markets Are Up and Coming?" January 19, 2011. The article inaugurated the term CIVETS to refer to Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa

populations, relatively stable political environments and the potential to produce significant returns in the future. Far-flung geographically and shaped by vastly different cultural, religious and political factors, the CIVETS show a good potential to develop rapidly and sustainably. Multinational enterprises and international entrepreneurs from the MENA region have been acknowledged in the Forbes Billionaires Lists as well as Fortune 1000 that records the most influential firms and people in the world; this will be explored in detail in Chapters Four and Five.

Thanks to the critical evaluation of studies that discuss high growth-rapid internationalisation of firms from emerging economies, the author identified two research gaps: (a) MENA region is already ripe for systematic inquiry into the internationalisation of firms; and (b) the choice of markets in which MENA firms internationalise to. Most relevant articles show that developed economies are the favourite target of firms from developing countries (Yamakawa, Peng and Deeds, 2008). The question is whether this is also the case for MENA region firms. The short answer is “no”, as will be shown in Chapters Four through Eight.

2.7 Initial Theoretical Framework

Based on the literature reviewed in this chapter, the author developed an initial theoretical framework. This use of literature to formulate the initial framework was warranted by: (a) the exploratory nature of the study, and (b) the lack of prior knowledge about the high growth rapid internationalisation of firms from the MENA region. The thesis presents three conceptual frameworks to illustrate the progression in the author’s conceptualisation of firms’ high growth-rapid internationalisation processes. It begins with the initial review of international entrepreneurship theories and models in the current chapter. After presenting the exploratory pilot study, Chapter Three reviews relevant literature on strategic and portfolio entrepreneurship and improves the conceptual framework. After refinements and empirical fieldwork, Chapter Seven summarises the study’s findings and presents the final conceptual framework.

Figure 2.4 shows the initial working conceptual framework for high growth rapid firms from the MENA region. The figure shows that International Entrepreneurship process first involves International Opportunity Discovery and Evaluation. Central to this process is the entrepreneur and/or the TMT; they mobilize resources to develop new combinations for the market. Such mobilization could be realized by external acquisition or internal development. To guide data gathering and analysis, the framework is explained in detail, described below.

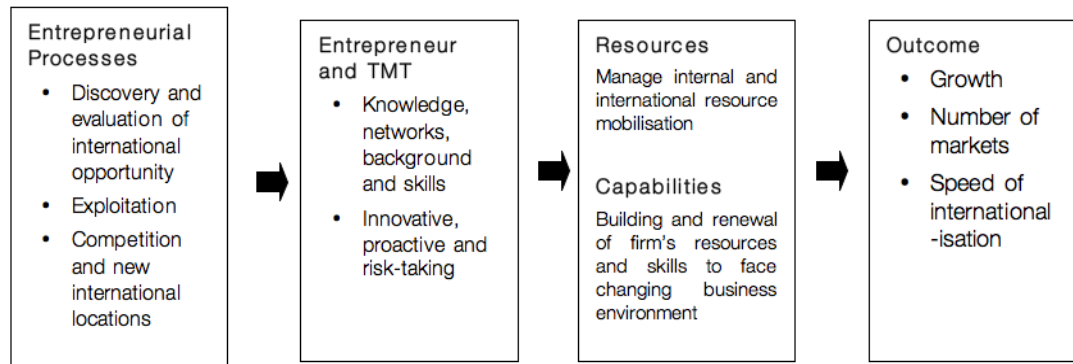


Figure 2.4: An Initial Working Conceptual Framework for High Growth Rapid Internationalising Firms from the MENA Region Emerging Market

Source: Author

Entrepreneurial Process

In their behavioural model of entrepreneurship, Covin and Slevin (1991) focus on the firm level rather than on the individual entrepreneur, and note that “individual level behaviour on the part of the entrepreneur may affect organisation’s actions, and in many cases, the two will be synonymous” (ibid: 8). Madsen and Servais (1997) argue that the entrepreneur is the key antecedent in “born-global firms”. The process of discovery and evaluation of opportunities involves background, skills, aspirations and knowledge in terms of learning experience, as well as personal networking. The ability of the Individual to receive and interpret information, in the face of environmental turbulence and uncertainty, is central to entrepreneurial behaviour that is described as being active, proactive and aggressive in pursuing opportunities in international markets (Obrecht, 2004).

Resources

Firms build resource positions by several means: acquiring kinds and combinations of external resources; developing firm specific resources internally; or by partnering with other firms for joint development. External acquisition involves the sourcing of resources and capabilities in order to introduce new products, services and ideas in the market. Provision from suppliers, from networks and joint ventures are the main external acquisitions considered. Servais *et al.* (2005) underline the relevance of international sourcing as an expression of entrepreneurship. Internal development may refer to investments in R&D and the consequent patenting of innovation. It could also result from training courses for managers, employees and workers. For the entrepreneur/TMT, training courses or meetings are particularly useful because they promote entrepreneurial orientation, especially alertness, discovering, identifying and evaluating new opportunities as well as reconfiguring and coordinating resources and competences.

Outcome

Measuring performance is a complex matter. In international firms, profitability, growth, number of markets, or speed of internationalisation may measure performance. Entrepreneurship is the key factor in innovation to exploit new opportunities and to introduce new ideas in the market. It follows that entrepreneurship is a key to value creation, operating both in the domestic and in foreign markets. This assertion is supported by a number of studies linking entrepreneurship with international performance (Knight, 2001; Ibeh, 2003).

From the pioneering work of Schumpeter (1934) up to the recent surge of studies on entrepreneurship, most firms recognise that the decision to enter foreign markets is a necessity more than an option (Zucchella, 2001). This is prompted by the saturation of domestic markets, the need to react to global competition, the need to reach an adequate market size in niche productions, and the necessity to follow customers or suppliers. This means that the frontier of entrepreneurship in international business is now more complex and multi-dimensional to define and leads to multi-scaled international performance in terms of intensity, scope and speed of internationalisation.

Factors	Meaning	Literature Source
Entrepreneur	The value placed by the entrepreneur on Internationalisation. His perceptions and attitudes regarding risk, cost, profit, potential & complexity	Cavusgil (1984); Covin and Slevin (1991); Calof and Beamish (1995); Leonidou et al., (1998)
<ul style="list-style-type: none"> Human Capital: Knowledge 	Principal founders of firms that internationalised successfully received education abroad. Have: language proficiency, entrepreneurial & management competence, foreign experience, tacit Knowledge	Johanson and Vahlne (1977, 1990, 2003, 2009); McDougall et al. (1994); Lumpkin and Dess (1996) Westhead et al. (2001)
<ul style="list-style-type: none"> Social Capital: Networks 	The entrepreneur's proprietary network relationships such as communication/social Networks, informal contacts.	Johanson and Mattson (1988); Coviello and Munro (1995, 1997); Johanson and Vahlne (2003, 2009)
Resources	The firm's Tangible and Intangible resources	Calof and Beamish (1995);
<ul style="list-style-type: none"> Tangible 	Financial, physical and technology resources	Coviello and Munro (1995, 1997); Greene and Brown (1997);
<ul style="list-style-type: none"> Intangible 	Human, Knowledge, Know-how; organisational/relational/network resources	Eisenhardt and Martin (2000); Yli-Renko et al. (2001);
TMT	Managers of companies that internationalised successfully	Oviatt and McDougall (1995); Zahra and George (2002)
<ul style="list-style-type: none"> Backgrounds/ Foreign work experience 	New ventures led by managers with foreign work experience and global visions were able to quickly internationalise successfully	Bloodgood et al. (1996); Westhead et al. (1998); Oviatt and McDougall (2005)
Entrepreneurial Orientation	The firm's strategic posture in terms of innovativeness, risk-taking and being proactive, as well as competitive aggressiveness and autonomy.	Miller (1983); Covin and Slevin (1989); Yeoh and Jeong (1995)
<ul style="list-style-type: none"> Innovative, Proactive and Risk-taking 	Entrepreneur's strategic behaviour in terms of innovativeness, risk-taking and being proactive	Lumpkin and Dess (1996); Ibeh (2003); Knight and Cavusgil (2004)
Entrepreneurial Processes	why, when, and how different modes of action are used to exploit entrepreneurial opportunities	Shane and Venkataraman (2000)

<ul style="list-style-type: none"> Discovery, Evaluation and Exploitation 	why, when, and how some people and not others discover and exploit these opportunities;	Kirzner (1997); Shane and Venkataraman (2000)
Environmental Factors	Market and Industry potential and degree of internationalisation (both domestic and foreign).	Zahra and George (2002); Jones and Coviello (2005)
<ul style="list-style-type: none"> Growth Opportunities 	Limited domestic growth	Madsen and Servais (1997); Oviatt and McDougall (1997)
<ul style="list-style-type: none"> Competitive Forces 	Intensity of international competition	Covin and Slevin (1991); Calof and Beamish (1995)
<ul style="list-style-type: none"> Institutional environment 	Institutional environments significantly influence international entrepreneurship	Zahra <i>et al.</i> , (2000); George and Prabhu (2000); Bell <i>et al.</i> (2003)
International Entrepreneurship Dimension	Extent of Internationalisation, which countries firms internationalise to?	Zahra <i>et al.</i> (2000a); Zahra and George (2002); Jones and Coviello (2005)
<ul style="list-style-type: none"> Extent, Speed and Scope 	Degree of Internationalisation, how rapid....	Burgel and Murray (1998); Zahra and George (2002)
Outcome	Market success and organisational learning	Bloodgood <i>et al.</i> (1996)
<ul style="list-style-type: none"> Financial 	Growth and profitability	Covin and Slevin (1990); Wiklund (1999); Zahra <i>et al.</i> (2000)
<ul style="list-style-type: none"> Non- Financial 	Learning, experiential knowledge creation	Covin and Slevin (1991); Zahra <i>et al.</i> (1999); Autio <i>et al.</i> (2000)
Emerging Markets	Countries that are restructuring their economies, offering wealth of opportunities	World Bank (2011); Yamakawa, Peng and Deeds (2008)
<ul style="list-style-type: none"> BRIC countries 	Brazil, Russia, India and China recently risen as power houses in the global economy	Goldman Sachs (2002); Mathews (2006)
<ul style="list-style-type: none"> Next Eleven 	Eleven countries identified as having high potential of becoming the world's largest economies in the 21 st century. Egypt is one of the next eleven	Goldman Sachs (2006)
<ul style="list-style-type: none"> CIVETS 	New set of up-and-coming emerging markets; Egypt is again one of them	Wharton Business School (2011)

Table 2.1: Factors Affecting Internationalisation Process

Source: Author

Table 2.1 sums up all factors and variables discussed in this chapter, which constitute the core elements of the initial working conceptual framework. The table summarises the meanings and the literature sources of each factor and variable affecting the high growth and internationalisation processes as reviewed in this chapter.

Current Research Covers:	Identified Research Gaps:
MNEs internationalise from Developed Economies to Emerging markets (Dunning, 2000; Johanson and Vahlne, 1997)	Lack of research investigating MNEs not SMEs internationalising from Emerging markets.
SMEs internationalise from Developed Economies to Emerging markets (Zarah and George, 2002; Oviatt and McDougal, 2005).	Little research that identifies emerging multinationals (EMNEs) internationalising from Emerging markets rather than from Developed Economies.
Emerging multinationals (EMNEs) internationalise from Emerging markets to Developed Economies (Mathews and Zander, 2007; Yamakawa, Peng and Deeds, 2008; Athreye and Kapur, 2009).	No research identifying emerging multinationals (EMNEs) internationalising from Emerging markets to Emerging markets; Yamakawa, Peng and Deeds, 2008 call for research in this area.
Geographical contexts covered in prevalent research mostly focus on Brazil, Russia, India and China (BRIC) countries.	MENA region presents a new geographical context.
Unit of analysis tends to be the firm in most studies on internationalisation.	Studies lack "The entrepreneur: as a unit of analysis.
Approaches to studying MNE internationalisation tends to be static as MNEs are viewed to be established and mature entities.	Need for a more "entrepreneurial processes" orientated approach to emphasis the dynamic behaviour of rapidly internationalising MNEs from emerging markets.

Table 2.2: Research Gaps

Source: Author

So far, this chapter addressed the theories of IE literature with special reference to the internationalisation of firms from emerging markets. This involved the critical evaluation of the foundations of the IE literatures (IB and Entrepreneurship theories and models) and the analysis of a number of theoretical IE frameworks to identify relevant gaps addressing the question of high growth and rapid internationalisation of firms from emerging markets. Following a systematic analysis of the main arguments

in the IE literature, the author identified theoretical and empirical research gaps that require further investigation. These research gaps are summarised in Table 2.2.

2.8 Pilot Study

Guided by the conceptual framework derived from relevant IE literature, the author started a pilot study to examine firms' behaviour about the causes and triggers of growth and internationalisation of the MENA enterprises. The modification to pure induction recommended by Lindsay (2004) allows for both preparatory review of previous research (Easter-by Smith *et al.*, 2002), and familiarisation with the research setting to increase the relevance of the data and the economy with which they are collected (Miles and Huberman, 1994).

The author collected data in the form of ethnographic study (Wolcott, 1999) and unstructured interviews. Intended as an orientation period before the development of a complete research strategy, formal interview schedules or sampling of participants were not called for. The openness of this approach allows for the emergence of further issues that are of current concern to the study's participants (Kirk and Miller, 1986; Easter-By Smith *et al.*, 2002). Such issues can in turn feed into the formation or the modification of the research questions at an earlier stage, as is characteristic of an ethnographic approach (Robson, 2002). An investigation into the participating firms' responses to the growth and internationalisation process would naturally address their relationships with entities in their network such as financial institutions, suppliers, customers, and shareholders among others. This approach minimizes potential bias of interviewees – a technique known as “triangulation”. The author first concentrated on the firm concerned as well as various members in the firm's network. The preliminary contact with the firm further benefited the author's initial interviews with potential participants whom the firm identified as partners.

2.8.1 Observations from Pilot Study

This pilot study (Case Company A) demonstrated an almost perfect fit with international entrepreneurship (IE) theory that highlights entrepreneurial opportunity and the central role of the entrepreneur. The researcher observed first-hand the

entrepreneurial process through discovery, evaluation, and exploitation of opportunity. The initial conceptual framework guided the exploratory pilot study; subsequent research identified how Mr A managed the firm's resources through the moderating force of networking and knowledge. The case demonstrated the entrepreneurial orientation of Mr A. and his top management team, with special reference to innovativeness, proactiveness and risk-taking. The result was rapid internationalisation of the firm through cross border involvement in a large number of foreign markets. These themes, presented in the initial conceptual framework, are discussed below.

2.8.1.1 International Entrepreneurial Opportunities

Based on his established work, knowledge, skills, and international exposure, Mr A. was driven to observe entrepreneurial opportunities. Such an opportunity came up in Algeria soon after Mr A. established his telecom business in Egypt. It was a major boost in accelerating the speed of internationalisation of Mr A's firm. Success in Algeria opened up subsequent opportunities not only in developing countries, but also in developed market economies. Examples of the first include: Zimbabwe, Cote d'Ivoire, Benin, Togo, Tunisia, Bangladesh, Yemen, and North Korea. Examples of the second include Italy and Greece. Such findings pointed to a good fit with international entrepreneurship theory.

2.8.1.2 Innovation and Technology

Mr A's firm benefited from the rapid advances in technology since telecommunication was a utility demanded by many developing markets, where *modern* telecoms were notably absent. The firm possessed superior technology and means of transport to offer. Thus the fit with the IE theory was good.

2.8.1.3 Competition

Mr A's firm was a pioneer in its telecommunication business in Egypt, a remarkable feat, given the large international competitors during bidding such as Vodafone, Orange and AT&T. The firm went to Algeria, Bangladesh and other African countries as a lead international company that managed to capture the opportunity

before other international competitors could move in. If the firm had been satisfied to build its domestic market first before going international, it would have been seriously challenged by other well-established MNEs. In effect, competition helped speed up the internationalisation of Mr A's firm – another fit with IE theory.

2.8.1.4 Perception of the Entrepreneur

From the findings, Mr A played the key role in identifying, enacting, evaluating, and exploiting new business opportunities. He led his company to multinational status with entrepreneurial skills rare in the MENA region. He led the international expansion of his firm with an entrepreneurial flair rather than a structured and planned organisational set up. That came at a later stage to further his initial start-up operations. Mr A. led his firm into the discovery, enactment, evaluation and exploitation of entrepreneurial opportunities, as the IE theory has predicted.

2.8.1.5 Knowledge

International growth of the firm happened fast, thanks to Mr A's thorough knowledge of the industry and shrewdness in recruiting outstanding people to boost the firm's knowledge base. Both Mr A. and his senior management team utilised different venues to study new markets that presented good opportunities even though they seemed risky. Western education and/or international training in multinational companies were common factors among senior managers. The firm invests heavily on training and knowledge acquisition through intensive programmes, as witnessed by the author during her ethnographic study. The moderating force of the knowledge base in the firm fits well with established IE theory.

2.8.1.6 Networks

Relational networks were fundamental to the development of the firm's businesses. These networks were developed from previous activities or may have emerged in the firm itself before and during internationalisation. This was clear through a number of conversations the researcher had with Mr A and his senior management team. They explained that developing networks with governmental authorities, international firms and business counterparts was an ongoing process in which Mr A invested and

used intensively to achieve international expansion. Mr A networked with his extended family to create an organisation with the necessary technological and infrastructural skills. He used those capabilities to win and keep licences in his home country and in host countries as new opportunities emerged internationally.

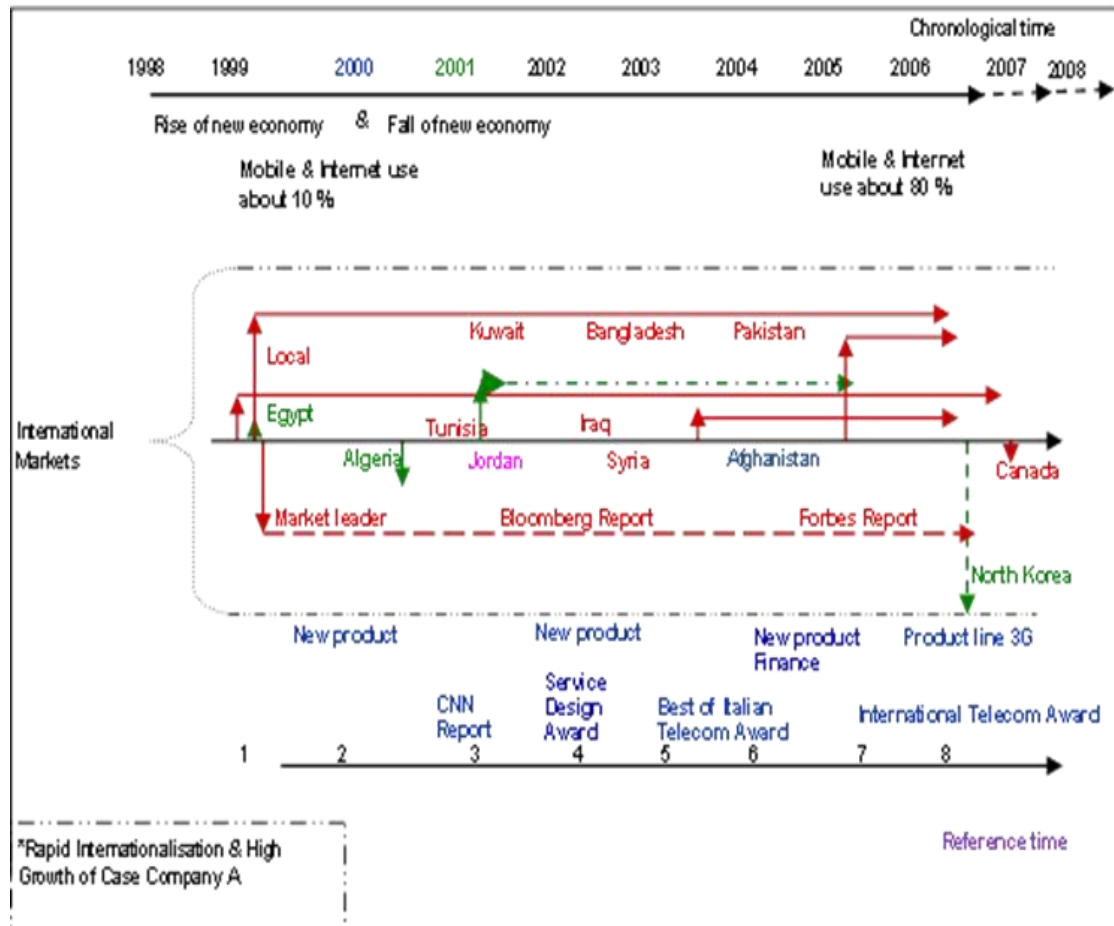


Figure 2.5: Internationalisation of Pilot Case Study

Source: Author

Again, some examples are instructive. Mr A built a strong relationship with the Algerian authorities before entering the Algerian telecommunication market. That enabled him not only to start and grow a big telephony operation but also to diversify his activities into other Algerian businesses such as landline operations, construction, cement production and power plant stations. Such activities were opportunities for other members of Mr A's family, growing internationally and expanding their

domestic businesses in Egypt itself. Mr A. had initially used relational networks his father and mother had with American and European agencies to start his own business and expand internationally. Like other forces of the IE theory, the dynamics of this firm appear to fit the theoretical blueprint, as evidenced by the high percentage of the firm's turnover that is derived from the international market (78%). Figure 2.5 presents the internationalisation process across time in the form of finger print pattern (Jones and Coviello, 2005).

2.8.2 Emerging Concepts: The Need to Integrate Other Literature

Findings from the pilot study identified themes and concepts familiar in the IE literature. However, other findings led the author to question whether the IE theory is sufficient to explain *how* this particular company internationalised. The findings pertain to a range of *management* issues that include: strategic thinking, innovation, entrepreneurial leadership, business diversification, and formation of business groups under holding companies

2.8.2.1 Strategic Thinking

In the interviews with the firm's senior management team, the author identified strategic entrepreneurial behaviour. The team was focused on continuous efforts to improve the firm's competitive advantage in the global market. The firm was strategic in its choice of new host countries. Even in countries like Algeria and North Korea, hostile markets to local and international investors, the team found creative ways to turn liabilities (inefficient institutional base, inadequate infrastructure) into assets. Whenever the firm encountered tight financial constraints, especially in the early phases of new operations, it used non-financial resources to compensate: personnel skills and networks found creative ways to entrench the firm into the new environment, and thus improve its competitive edge.

2.8.2.2 Innovations at the Core

The pilot study showed that innovation was a key element in the firm's growth. However, it was not only technical innovation as advocated by IE literature, but more importantly, managerial innovation. The firm sought to differentiate its products and

services as it internationalised, especially in challenging environments that required managerial innovation, alertness, and sagacity. Inadequacy of infrastructure turned out to provide incentives to the entrepreneurial team to come up with daring solutions that strengthened the firm's position in host countries.

2.8.2.3 Entrepreneurial Leadership

The IE literature was the first to acknowledge the role of the entrepreneur in the firm's growth and internationalisation. However, in this pilot study, Mr A's charismatic personality and his entrepreneurial leadership were the catalyst for the firm's growth through internationalisation. Mr A. was able to anticipate, envision, and maintain flexibility in working with others to initiate changes that created viable futures for his firm. He considered his senior team partners in the firm's growth and internationalisation. Through this innovative approach, Mr A was able to form several business groups, comprised of different companies that operate in various parts of the world. The IE literature could not explain this particular feature – an obvious shortcoming in IE. Another body of literature was needed to explain the gap in IE literature.

2.8.2.4 Entrepreneurial Creative Solutions

Faced with the absence of modern financial institutions to facilitate the nascent telecommunications business in Algeria and North Korea, the firm sought to establish such institutions in collaboration with local entities. In Algeria the firm partnered with the Ministry of Petroleum to establish a bank. In North Korea, it established a financial joint venture with the Post Office Authority (OTH Korea) to finance purchases and subscriptions of mobile phones – a first for North Korea. Both institutions have grown since and contributed to the expansion of private sector investment, local and international.

Another example of the firm's ability to come up with creative solutions was in Italy, when it acquired a failed Italian telecom company and turned it around in less than a year into Italy's third largest telecom service provider. The firm's entry into Italy opened up business opportunities in sectors other than telecom. To operate in those sectors efficiently, the firm established a holding company (Weather International),

which financed and acquired banks, real estate and other profitable businesses. The study of this pilot case identified key markers in the firm's growth profile – an obvious limitation of the IE literature theory.

2.8.2.5 International Diversification and Business Groups

Even though the firm's main business is telecom, it found itself branching into other business activities that had little or nothing to do with telecoms. Such settings prompted the firm to structure business groups – a form of the so-called portfolio entrepreneurship. That process was a form of “creative destruction”, as the new entities meant the demise of old less efficient firms. As the old firms dissolved into larger entities, the pilot firm was a catalyst in what the author has called “international churning”. This is yet another path that was not accounted for by IE literature, thus calling for other explanations than the IE theory.

However, before turning to examine an additional body of literature that could help explain the behaviour of high growth - rapid internationalising firms, the author questioned whether this pattern occurs in other international entrepreneurial firms, especially from the MENA region. It became apparent that some complementary conceptual explanations were essential to understanding firms that go international. To check whether those themes had general validity or were simply too specific to the pilot case, the author set out to find other companies from the MENA region to examine their behaviour. Mr A. helped the author identify other MENA firms that went international. Some of those companies belonged to other members of Mr A's family. This confirmed the presence of other similar firms and started a snowball course that produced a list of 108 MENA firms, of which eighteen were selected for the in-depth empirical work underlying this thesis. From the eighteen-company sample (plus the pilot), the author constructed her database, presented in Appendix B. IE themes and concepts focus on the role of the entrepreneur, networks, knowledge and technology in explaining *why* the selected firms internationalise. However, the IE theory fails to explain the strategic process underlying the internationalisation of those firms. Thus the need to integrate additional literature to explain these processes was identified.

Themes from Pilot Study	What Element of Theme Is Explained by IE	What Pilot Case Has, but Is Not Explained by IE
Emerging Economy MNE	Mostly Developed countries SMEs	Exhibited by pilot case study
Motivation force of competition	It is important for internationalisation	Pilot Case study disagrees- says lack of competition or no competition is ideal market.
Moderating force of Knowledge	It is important for internationalisation	Exhibited in pilot case study
Moderating forces of networks	Only refers to suppliers and customers	Pilot case identifies new sets of networks in addition (e.g. the use of internal networks).
Sources of Competitive advantage	Does not mention	Pilot Case study exhibits continuous search for value adding through internal teams, building trust, he is rich by his people- "human capital is what pursue and protect our businesses".
Innovation	Mentions technical innovation	Not only innovative in relation to the product innovation but innovative in terms of developing which specific new markets to enter and developing styles of selling; innovative in building trust and brand acceptance; innovating in creating a need for his product.
Leadership	Does not exist	He exhibits characteristics of vision, ability to anticipate, incorporates flexibility and working with others to initiate change. Distributed leadership was highly emphasised by CEO/entrepreneur.
Strategic behaviour	Does not exist	Target markets that are "virgin", which nobody wants to go to; accepts risk but these are calculated.
Building dynamic capabilities	Does not exist	He continuously improves the capability of the company and reacts to the dynamics of the business environment; invests tremendously on training and building skills.
Diversification	Does not explain	He built new companies to minimise risk and maximise profits, he managed to do this through building entrepreneurial teams that manage these new enterprises and became partners and shareholders in his companies.

Table 2.3: Emergent Themes from Pilot Case Study

Source: Author

2.9 Summary

This chapter analysed theories of IE literature and its applicability to firms from emerging markets. This involved the critical discussion of the foundations of the IE literatures (IB and Entrepreneurship theories and models) and the analysis of a number of theoretical IE frameworks to identify relevant gaps addressing the question of high growth and rapid internationalisation of firms from emerging markets. A pilot study was researched to test the applicability of IE to the MENA region context.

The themes that IE literature emphasised were clearly present in the pilot study. The importance of role of entrepreneur in internationalisation and the significance of the entrepreneurial opportunity were IE elements exhibited in the pilot case study. However, other themes that emerged from the study were either absent in the IE literature or were present but with a variant explanation (e.g. innovation: technical versus managerial). Table 2.3 presents all themes that emerged from the pilot study: those explained by IE and those unexplained by IE literature.

Those themes ranged from “Emerging Economy Enterprise” to “Diversification”. As shown earlier, the IE literature made it clear that for a company to grow and internationalise rapidly there are certain prerequisites such as: the enabling force of technology; the motivational force of competition; the moderating force of knowledge; and the enhancing forces of networks. All four were clearly present in the pilot study. Other significant themes such as the role of the entrepreneur and the identification of entrepreneurial opportunity have also shown a good fit with international entrepreneurship theory. Yet, there were other unexplained themes such as: sources of competitive advantage, innovation, leadership, strategic behaviour, building dynamic capabilities, and diversification. Elements from strategic management and entrepreneurship were distinctly present in the pilot study. Since the study of strategic entrepreneurship involves combinations of actions that are distinctly entrepreneurial (focusing on opportunity) with actions essentially of a strategic nature (creating competitive advantage), the author decided to study the theories of strategic entrepreneurship to complement this study. To seek an

understanding of international entrepreneurs' behaviour as they lead their firms through rapid growth and internationalisation, the author also consulted the literature on portfolio entrepreneurship with particular reference to the creation of business groups that facilitate rapid growth. The explanations derive from the literature on strategic entrepreneurship and on portfolio entrepreneurship literatures – a subject that is taken up in Chapter Three.

Chapter Three: Integrating Strategic and Portfolio Entrepreneurship into IE Theory

3.1 Introduction

The findings of the pilot and exploratory study revealed that the *process* of international growth has begun to be addressed by IE research, particularly in its attention to the use of networks in the development of partnerships (Johanson and Vahlne, 2003; 2009). Further, unlike previous international business research, IE research recognises the centrality of the entrepreneurs in the process and the importance of their capabilities and of the resources they develop and acquire in an entrepreneurial process. This study's interest, however, is in *how* and *why* the entrepreneur does these things, an aspect that IE research has yet to address in detail. For example, while it notes the importance of capabilities and resources, it has not yet addressed how the entrepreneur develops or acquires them, where they come from, and how they change as the firm grows. Whilst recognizing the importance of networks of relationships, it has not explained how entrepreneurs develop and use them, a gap that emerged in the findings of the exploratory pilot study. In short, while IE research has examined the internationalisation process, it has yet to explore the *management* processes that are so important to making them happen effectively. Strategic entrepreneurship provides further insights into how to address these gaps. Additionally, the portfolio entrepreneurship literature contributes further dimensions to our understanding of entrepreneurial growth processes and their implantation

3.2 Overview of Strategic Entrepreneurship Theory

Strategic entrepreneurship (S.E.) is the integration of entrepreneurial (i.e. opportunity seeking actions) and strategic (i.e. advantage-seeking actions) perspectives to design and implement entrepreneurial strategies that create wealth (Hitt *et al.*, 2001c). So, S.E. is described as an entrepreneurial action that is taken with a strategic perspective. Integrating entrepreneurial and strategic actions is necessary for firms to create maximum wealth (Ireland *et al.*, 2001a). Entrepreneurial

and strategic actions are complementary, not interchangeable (McGrath and MacMillan, 2000; Meyer and Heppard, 2000). Entrepreneurial action is designed to identify and pursue entrepreneurial opportunities. Thus, it is valuable in dynamic and uncertain environments such as the new competitive landscape of the MENA region, because entrepreneurial opportunities arise from uncertainty. Entrepreneurial action using a strategic perspective is helpful in identifying the most appropriate opportunities to exploit and then facilitate this exploitation to establish competitive advantages that are sustainable (Hitt *et al.*, 2001c).

Entrepreneurship and strategic management are both dynamic processes concerned with firm growth and performance (Kuratko and Audretsch, 2009). “Strategic entrepreneurship” is the term that has arisen in the literature to represent the intersection of strategy and entrepreneurship. The fields of entrepreneurship and strategic management have developed independently over the last three decades, and then developments have recently taken place towards an integration of both perspectives. Appendix A.2 presents a comparison of different definitions S.E. over a fifteen-year period. Studies in the area of strategic management, in particular, have gradually uncovered the relationship between strategic management and entrepreneurship: Mintzberg (1973) introduced the notion of entrepreneurial strategy making; Covin and Slevin (1989) presented the concept of an entrepreneurial strategic posture within organisations. Lumpkin and Dess (1996) extended this concept introducing the entrepreneurial orientation construct, which they identify as the tendency of organisations to engage in innovative, risk-accepting and proactive strategies. Ireland *et al.*, (2001) extended and broadened this concept to integrate strategic management as a context for entrepreneurial actions; and Foss *et al.*, (2008) highlighted the concept of subjectivism in order to reconcile entrepreneurship theory with strategic management and the resource-based view (RBV) (Kyrgidou and Hughes, 2010).

Entrepreneurial strategies are the embodiment of what some view as an entrepreneurial revolution occurring in nations across the globe, including some countries characterized as emerging economies (Morris, Kuratko and Schindehutte,

2001; Zahra, Ireland and Hitt, 2000b). An entrepreneurial mindset is required for firms to compete successfully in the new competitive landscape through use of carefully selected and implemented entrepreneurial strategies. An entrepreneurial mindset denotes a way of thinking about business and its opportunities that capture the benefits of uncertainty, as individuals search for and attempt to exploit high potential opportunities that are commonly associated with uncertain business environments (McGrath and MacMillan, 2000).

Entrepreneurial strategies for competitive success demand effective strategic and entrepreneurial actions (Ireland *et al.*, 2001a; Kuratko, Ireland and Hornsby, 2001). Strategic actions are those through which companies develop and exploit current competitive advantages while supporting entrepreneurial actions that exploit opportunities that will help create competitive advantages for the firm in the future. A competitive advantage results from an enduring value differential in the minds of customers between one firm's good or service and those of its rivals (Duncan, Ginter and Swayne, 1998).

Entrepreneurial actions are actions through which companies identify and then seek to exploit entrepreneurial opportunities rivals have not noticed or fully exploited (Ireland *et al.*, 2001a). Entrepreneurial opportunities are external environmental conditions suggesting the viability of introducing and selling new products, services, raw materials and organising methods at prices exceeding their production costs (Casson, 1982; Shane and Venkataraman, 2000). Alvarez and Barney (2001) argue that entrepreneurial opportunities surface when entrepreneurs have insights into the value of resources or a combination of resources that are unknown to others.

Consequently, Ireland *et al.* (2003) hypothesize that a firm is operating strategically and entrepreneurially both in linear and sequential terms when it employs an entrepreneurial mind set to identify opportunities; manage resources strategically to tackle the opportunity; apply creativity and innovation; and generates a competitive advantage. However, this conceptual model has been criticized by Kyrgidou and Hughes (2010), who claim that it suffers from several limitations and gaps that

compromise our understanding of how strategic entrepreneurship might be made to work effectively in practice. They elaborate that, despite being defined as the simultaneous pursuit of opportunity-seeking (entrepreneurship) and advantage-seeking (strategic management) behaviours (Ireland *et al.*, 2003), the model is linearly interrupted between episodes of entrepreneurial and strategic behaviour and lacks a defined feedback loop between the two. Moreover, Ireland's model is dependent on the effective deployment of behaviours (for example, an entrepreneurial mind set to identify opportunities, or the application of creativity to create innovation). However, it does not take account of the internal firm conditions that provide the contextual and structural framework within which these behaviours take place. Additionally, turbulent environments over time deteriorate resources that underpin entrepreneurial acts. Thus, dynamic capability processes and the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments (Teece, Pisano and Shuen, 1997), are considered in this research as an essential component of strategic entrepreneurship processes. Dynamic capabilities reflect systems that sense, seize and transform accumulated knowledge into improvements in firm activity. Hence, they appear critical for activating and sustaining strategic and entrepreneurial processes and so to balance advantage- and opportunity-seeking behaviours (Hitt *et al.*, 2002). To offer a further understanding of the phenomenon of significant high growth and rapid internationalisation in the enterprises of emerging economies, this study employs the concepts of strategic entrepreneurship which help in addressing the research questions of the *why* and *how*.

By using S.E. concepts this study enhances understanding of *why* and *how* an entrepreneur or firm is employing an entrepreneurial mind set in: identifying opportunities; managing resources strategically to tackle opportunities; applying creativity and innovation; and generating competitive advantages; is operating strategically entrepreneurially. This is in line with Hitt *et al.*, (2002), Ireland *et al.*, (2003), as well as Kuratko and Audretsch (2009). Concepts of S.E. are crucial for this study's analysis and the understanding of how conditions in the global business

environment demand that firms adopt entrepreneurial strategies (McGrath and MacMillan, 2000; Morris, Kuratko and Covin, 2008) as a path to success. This is achieved by diffusing strategic capabilities throughout firms and empowering individuals with the leverage necessary to initiate and successfully develop and implement strategies on their own initiative (Liedtka and Rosenblum, 1996). By pursuing entrepreneurial strategies, firms place themselves in positions to regularly and systematically recognise and exploit entrepreneurial opportunities (Eisenhardt, Brown and Neck, 2000).

Scholars have examined the intersections and interrelationships between the entrepreneurship and strategic management fields and presented different perspectives about entrepreneurial strategies. The following section discusses entrepreneurship and strategic management perspectives and the integration of both fields into S.E. theory.

3.3 Foundations of Strategic Entrepreneurship

Entrepreneurs create goods and services and managers seek to establish a competitive advantage with the goods and services created. Thus, entrepreneurial and strategic actions are complementary and can achieve the greatest wealth when integrated (Hitt *et al.*, 2002). Meyer *et al.* (2002) explain the intersection between entrepreneurship and strategic management while simultaneously emphasising the differences. Meyer *et al.* (2002) suggest that entrepreneurship focuses on creation while strategic management focuses on building a competitive advantage (firm performance). Additionally, they note that the entrepreneurship and strategic management fields have had different foci in terms of the size of firms. Entrepreneurship has largely examined small businesses, while strategic management concentrates on large businesses. However, they emphasise that the primary interface is creation–performance. The creation–performance relationship involves both opportunity-seeking and advantage-seeking actions, the integration of which is S.E. (Hitt *et al.*, 2002). In the S.E. special issue of Entrepreneurship Theory and Practice (2009), scholars presented a diverse collection of perspectives for examining strategic

entrepreneurship. It is in that diversity that a significant contribution is made to advancing the knowledge of this concept. The following sections will discuss both the strategic management and entrepreneurship perspectives.

3.3.1 Strategic Management Perspective

The strategic management process is the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns, and are dynamic in nature (Kuratko and Audretsch, 2009). Relevant strategic inputs derived from analyses of the internal and external environments are necessary for effective strategy formulation and implementation. In turn, effective strategic actions are a prerequisite to achieving the desired outcomes of strategic competitiveness. Thus, the strategic management process is used to match the conditions of an ever-changing market and competitive structure with a firm's continuously evolving resources, capabilities, and core competencies (Kuratko and Audretsch, 2009). Effective strategic actions that take place in the context of carefully integrated strategy formulation and implementation of these actions result in desired strategic outcomes. Thus, strategic planning is the primary step in determining the future direction of a business; and these strategic plans will be influenced by many factors, including the abilities of the entrepreneur, the complexity of the venture, and the nature of the industry. Strategy is often likened to a process of planning that places emphasis on improved decision-making brought about by managing resources within a framework of structures, systems and processes. Strategy is considered a primary advantage that differentiates entrepreneurial firms and creates organisational excellence (Darling *et al.*, 2007). It provides the context within which firms can exploit identified opportunities through their current strategic platform and through structured, well-planned actions, thereby aiding firms to specialize and gain competitive advantage (Kyrgidou and Hughes, 2010).

However, strategic management is more than writing a plan or developing a strategy. It should be a way of thinking. Strategic thinking requires more of an external than

internal focus. It implies a continuous search for new sources of competitive advantage. It entails an ability to envision all of the resources and core capabilities of the firm in terms of how they might be uniquely combined to create new sources of value. Strategy, in Kuratko and Audretsch's (2009) view creates a sense of unity, or consistency of action, throughout an organisation. In order for people to work toward common objectives, they must know what the objectives are. If employees do not have a strong understanding that innovation is essential to the realization of the firm's objectives, then their actions on the job each and every day will not reinforce innovation. As they make choices in their jobs, strategy can provide direction to those choices. Strategy, in Porter's (1996) view, is about performing different activities than competitors, or performing similar activities in different ways. Cooper, Markman and Niss (2000) summarized the distinction between strategic management and entrepreneurship when they stated the following:

"Strategic management has placed great emphasis on examining influences on firm performance, including strategy and environment, and the sources of sustainable competitive advantage... while entrepreneurship has emphasised processes which lead to venture creation." (Markman and Niss, 2000: 116)

3.3.2 An Entrepreneurship Perspective

As for the perspective from entrepreneurship, Ronstadt (1984) put together a summary description of entrepreneurship, after reviewing its evolution and examining its varying definitions. It reads as follows:

"Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment of providing value for some product or service. The product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources." (Ronstadt, 1984: 34)

Ireland, Hitt, Camp and Sexton (2001) argue that entrepreneurial and strategic actions are often intended to find new markets or competitive space for the firm to create wealth. Firms try to find fundamentally new ways of doing business that will disrupt an industry's existing competitive rules, leading to the development of new business models that create new competitive life forms. Entrepreneurial firms risk

focusing excessively on opportunity recognition and risk-taking activities; lacking a balanced strategic focus can then undermine the benefits and value their entrepreneurial initiatives might generate (Kyrgidou and Hughes, 2010). As such, they become incapable of gaining the advantages that their propensity towards entrepreneurial behaviour has to offer. Still, the excessive formalization of firm organising activity that strategy entails, can create conditions that restrict rapid adaptation to change and tolerance of frame-breaking ideas (DeSimone *et al.*, 1995), which in turn might prevent the firm from capturing the benefits that its entrepreneurial behaviour could create. Balancing entrepreneurship and strategic management then can help firms avoid the trap of excessive risk-taking activities while preventing inertia caused by iteratively adding to present advantages.

In Kuratko and Audretsch's (2009) view, the degree to which the firm acts entrepreneurially in terms of innovativeness, risk-taking, and proactively is related to dimensions of strategic management. From these commonalities between entrepreneurship and strategic management, specific domains of innovation, networks, internationalisation, organisational learning, top management teams, governance, and growth occur. Understanding the critical intersections of these specific domains allows entrepreneurs to increase their knowledge that, in turn, leads to higher quality entrepreneurial and strategic actions. Strategic management theory, characterised by the resource based view (RBV), emphasizes the creation of a unique resource position for the firm to create advantages that allow it to compete effectively into the long term (Wernerfelt, 1984; Barney, 1991). However, this perspective does not adequately explain long-term success when firms face volatile and environmental conditions. Indeed, advantage is at best temporary such that a firm must continuously explore new opportunities over and above merely exploiting its resource advantages over other firms (Leonard-Barton, 1992). It is this very weakness that explains why small firms and new entrants can outmanoeuvre larger market incumbents (Kyrgidou and Hughes, 2010). Owing to their emphasis on innovation and entrepreneurial outmanoeuvring, entrepreneurial ventures – regardless of size – are characterized by high degrees of uncertainty. So, their managers must simultaneously maximize their

ability to recognise and pursue new business opportunities while minimizing the strategic risk related to venture development by improving the formation, management and leverage of temporary competitive advantages (Ireland *et al.*, 2001). This issue can be viewed as one of creating and sustaining strategic entrepreneurship. In recognizing the importance of the evolution of entrepreneurship into the twenty first century, Kuratko (2009) developed an integrated definition that acknowledges the critical factors needed for this phenomenon.

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks, formulate an effective venture team, marshal the needed resources, build a solid business plan, and, finally, the vision to recognise opportunity where others see chaos, contradiction, and confusion (Kuratko, 2009: 5).

In an effort to integrate entrepreneurship with strategy, Kuratko, Ireland and Hornsby (2001), suggest that entrepreneurship is more than a course of action one pursues; rather it is a mind-set. At the level of the organisation, entrepreneurship can provide a theme or direction to a company's entire operations. It can serve as an integral component of a firm's strategy and, in some instances, serve as the core or defining component of corporate strategy (Kuratko and Audretsch, 2009). A strategy, at its essence, attempts to capture where the firm wants to go and how it plans to get there. When entrepreneurship is introduced to strategy, the possibilities regarding where the firm can go, how fast, and how it gets there are greatly enhanced. Not only can entrepreneurship serve as the dominant logic of a company, but it also plays an important role in the firm's strategy (Kuratko and Audretsch, 2009). This integration is further discussed in the next section.

3.4 Integrating Entrepreneurship with Strategy

The integration of entrepreneurship with strategy has two aspects, both of which are critical. Morris *et al.* (2008) refer to these two aspects as entrepreneurial strategy and a strategy for entrepreneurship.

3.4.1 Entrepreneurial Strategy

The first of these aspects is concerned with applying creativity and entrepreneurial thinking to the development of a core strategy for the firm. Morris *et al.* (2008) define an entrepreneurial strategy as “a vision-directed, organisation-wide reliance on entrepreneurial behaviour that purposefully and continuously rejuvenates the organisation and shapes the scope of its operations through the recognition and exploitation of entrepreneurial opportunity” (p. 194). Kuratko and Audretsch (2009) indicate that a highly entrepreneurial strategy is not an obvious one. Discovering unique positions in the marketplace is difficult, as is breaking away from established ways of doing things. Such a strategy implies a higher level of risk, especially when first implemented (Kuratko and Audretsch, 2009). While entrepreneurial activity is common in established firms, such activity is not necessarily embraced as an essential element of those firms’ strategies. Covin and Miles (2007) hypothesized that firms that embrace entrepreneurship as core to their strategies will outperform those that do not over the long run. Thus, the second aspect when integrating entrepreneurship and strategy concerns the need to develop a strategy to guide the particular entrepreneurial activities taking place within the firm. At its essence, this is a strategy for determining how entrepreneurial the firm really strives to be and how it will achieve that level of entrepreneurship (Morris *et al.*, 2008).

The Schumpeterian tradition is featured in studies that focus on entrepreneurship as a way of describing and characterizing a firm’s actions. In their quest for wealth creation, entrepreneurial firms focus on innovative, proactive and risk-taking behaviours conducive to the formation of new business models and organisational forms (Lumpkin and Dess, 1996). Building on the Schumpeterian base; Shane and Venkataraman (2000) state that the essence of entrepreneurship is to discover and exploit new opportunities that arise in the business environment. This highlights the chief role of opportunity identification as well as doing something with these opportunities, which leads to wealth creation (Kyrgidou and Hughes, 2010). But insufficient strategic management would lead to excessive opportunity exploration at the expense of prompting or strengthening advantage, which may ultimately lead to

value destruction. Hence, opportunity pursuit needs to be integrated in a strategic framework to bear any significant fruit.

As established earlier, Penrose (1959) contributed the RBV of the firm, focusing on resource heterogeneity as the primary source of competitive advantage. Although it is a dominant framework in strategic management, entrepreneurship scholars use it to analyse the resource characteristics, resource combinations and dynamic capabilities that drive entrepreneurial acts (Foss *et al.*, 2008). Morris (1998) declares that, through a theoretical lens, entrepreneurship is seen as a context-dependent social process through which individuals and teams create wealth by creatively bringing together unique “packages” or “bundles” of resources to exploit marketplace opportunities (Zucchella and Scabini, 2007). Of particular importance for entrepreneurial processes is the dynamic capability perspective that has emerged from the RBV. In unpredictable environments, dynamic capabilities are essential drivers behind the recombination of existing resources into new sources of firm value (Eisenhardt and Martin, 2000). This perspective overcomes the static limitations of the RBV, which places emphasis only on the effective leverage of resources at any one moment. In addition, the tension between combining explorative and exploitative activities suggests that managers, from decision-making through to processes and activities, face constant pressures in balancing entrepreneurial and strategic activity (Adner and Levinthal, 2008). Nonetheless, the dynamic capability approach focuses on the internal organisation as key to achieving firm success. Numerous studies describe the way in which dynamic capabilities allow firms to profitably enter emergent markets (King and Tucci, 2002), tie up industry relations (Dyer and Hatch, 2006) and restructure underperforming resources (Galunic and Eisenhardt, 2001). Each act, although strategic in nature, is driven by an entrepreneurial imperative.

Strategic entrepreneurship involves simultaneous opportunity-seeking and advantage seeking behaviours (Ireland, Hitt and Sirmon, 2003). The innovations that are the focal points of strategic entrepreneurship initiatives represent the means through which opportunity is capitalised upon. These are innovations that can happen anywhere and everywhere in the company. By emphasising an opportunity-driven

mind-set, management seeks to achieve and maintain a competitively advantageous position for the firm. These innovations can represent fundamental changes from the firms' past strategies, products, markets, organisation structures, processes, capabilities, or business models. Or, these innovations can represent fundamental bases on which the firm is fundamentally differentiated from its industry rivals (Kuratko and Audretsch, 2009). Based on the broad range of components associated with strategic entrepreneurship and the common themes it shares with literature in the disciplines of entrepreneurship and strategy, it is possible to identify another major component that contributes to the fundamental principles of strategic entrepreneurship, notably entrepreneurial leadership. Integrating entrepreneurship with leadership is examined in the next section.

3.4.2 Integrating Entrepreneurship with Leadership

Entrepreneurial leadership is one of the newest terms combining the elements of strategy, leadership, and entrepreneurship in the management of high-growth ventures (Kuratko and Audretsch, 2009). Terms such as “visionary” and “strategic” have been used when describing different types of leaders. Rowe (2001) provides a comprehensive description of strategic leaders, visionary leaders, and managerial leaders. His contention is that “strategic” leaders embrace the best characteristics of “visionary” leaders and “managerial” leaders. Thus, strategic leaders exhibit a collaborative combination of managerial and visionary leadership and they emphasise ethical behaviour and value-based decisions. Strategic leaders formulate and implement strategies for immediate impact and preservation of long-term goals to enhance organisational survival, growth, and long-term viability; and they have strong, positive expectations of the performance they expect from their superiors, peers, subordinates, and themselves. They use, and interchange, tacit and explicit knowledge on individual and organisational levels; and last but not least, they believe in strategic choice as making the difference in their organisations and environment (Rowe, 2001; Kuratko and Audretsch, 2009). It is the concept behind strategic leadership that research has demonstrated to be the most effective in growing organisations. Ireland and Hitt (1999) identified some of the most important concepts

in effective strategic leadership. These include: determining the firm's purpose or vision; exploiting and maintaining the core competencies; developing human capital; sustaining an effective organisational culture; emphasising ethical practices; and establishing balanced organisational controls. This type of leadership can be classified as entrepreneurial leadership, arising in an attempt to manage the fast-paced, growth-oriented company (Hitt, Ireland, Camp and Sexton, 2001; Thompson, 1999). Entrepreneurial leadership can be defined as the entrepreneur's ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organisation (Kuratko, 2007). Kuratko and Audretsch (2009) assert that, if these leadership processes are difficult for competitors to understand, and hence to imitate, then the firm will create a competitive advantage.

Growth-oriented firms need to adopt a new competitive mind-set – one in which flexibility, speed, innovation, and strategic leadership are valued highly (Kuratko and Audretsch, 2009). With this mind-set, firms can identify and completely exploit opportunities that emerge in the new competitive landscape. These opportunities surface primarily because of the disequilibrium that is created by continuous changes (especially technological changes). More specifically, although uncertainty and disequilibrium often result in seemingly hostile and intensely challenging conditions, these conditions may simultaneously yield significant product-driven growth opportunities. Kuratko and Audretsch (2009) suggest that, through the effective application of entrepreneurship and strategic leadership growth firms can adapt their behaviours and exploit such opportunities. Hence this leads to the concept of strategic entrepreneurship.

Another component viewed as one of the fundamental characteristics of strategic entrepreneurship is “dynamic capabilities”. The dynamic capabilities component is highlighted in the subsequent section to reinforce its significance while researching and analysing the high growing and rapid internationalising firms from the emerging market of the MENA region.

3.4.3 Dynamic Capabilities

The competitive advantage of the firm depends on its managerial processes, its position and its path dependence. In this entrepreneurial approach to dynamic capabilities, entrepreneurial behaviour is crucial, because: (a) it permits coordination and integration of internal and external activities, resources and technologies; (b) it permits the shaping of learning processes within the firm; and (c) it permits the reconfiguration of the firm's asset structure in terms of market, product portfolio, and/or internal processes (Teece, Pisano and Shuen, 1997; Zucchella and Scabini, 2007). Eisenhardt and Martin (2000) characterized dynamic capabilities as the firm's capacity to renew physical resources and skills at a high pace and achieve congruence with a changing business environment (Winter, 2003; Teece *et al.*, 1997). Therefore, a firm's ability to continually improve current resources and build new ones is paramount to maintaining competitive advantages and the entrepreneurial exploitation of opportunities over time. Thus, the availability and allocation of firm resources and the dynamics of change processes emerging through dynamic capabilities become central elements for our understanding of the development and wealth creation actions by firms. The sooner resources are secured and transformed into competitive advantages through dynamic capabilities, the higher the chances for a successful wealth-creating process will be (Kyrgidou and Hughes, 2010). The next section sums up the components that constitute the fundamental characteristics of strategic entrepreneurship and identifies another gap in the literature that requires the integration of yet other entrepreneurship literature dimension.

3.4.4 Summing Up and Identifying another Gap in the Literature

Strategic entrepreneurship involves simultaneous opportunity-seeking and advantage seeking behaviours (Ireland, Hitt and Sirmon, 2003). The innovations that are the focal points of strategic entrepreneurship initiatives represent the means through which opportunity is capitalized upon. These are innovations that can happen anywhere and everywhere in the company. By emphasising an opportunity-driven mind-set, management seeks to achieve and maintain a competitively advantageous

position for the firm. These innovations can represent fundamental changes from the firms' past strategies, products, markets, organisation structures, processes, capabilities, or business models. Or, these innovations can represent fundamental bases on which the firm is fundamentally differentiated from its industry rivals (Kuratko and Audretsch, 2009). Based on the broad range of components associated with strategic entrepreneurship and the common themes it shares with the literature in the disciplines of entrepreneurship and strategy, it is possible to identify and evaluate those components that are consistently highlighted as contributing to the fundamental principles of strategic entrepreneurship. Specifically, these can be summarized as opportunity identification, innovation, leadership (flexibility, vision), growth and acceptance of risk. Each component is set against the common value of resource management and dynamic capability generation. These components were associated with strategic entrepreneurship at its birth, hence allowing true consistency with the origins of the concept.

Opportunity identification in the literature on strategic entrepreneurship is suggested to be an important source of competitive advantage (Hitt *et al.*, 2002), which can lead to entrepreneurial opportunity creation, while setting the ground for exploitation (Zahra, 2008); however, such a view is narrowly conceived because of the inherent need to value, select and purposefully exploit only those that fit with the prevalent conditions of the firm. Bhide (1994) emphasizes the importance of balancing opportunity identification with analysis and strong execution skills to ensure that opportunities will be of strategic value to the firm. Innovation or the ability to innovate on the other hand is one of the distinctive competencies of entrepreneurial firms (Kirby, 2003). Sonfield and Luccier (1997) expand on this concept proposing that the most effective way to position an entrepreneurial firm is to use risk and innovation. Risk may be explained by referring to the perceived environment (Smircich and Stubbart, 1985). Thus, risk is not fundamental to strategic entrepreneurship but rather the perception of risk within an entrepreneurial mindset differs from the wider perception of risk (Janney and Dess, 2006). The entrepreneur does not make a conscious decision to engage in highly risky projects, but rather their

perception of that situation is of moderate rather than of high risk (Busenitz and Barney, 1997). Therefore, it is an acceptance of risk that is characteristic of entrepreneurs and when balanced with intuition and strategic action it becomes a potential source of competitive advantage (Kyrgidou and Hughes, 2010).

As for entrepreneurial leadership, it constitutes flexibility and vision. Regarding flexibility, within the strategic entrepreneurship perspective, it becomes evident that firms should be able to respond to change quickly, independent of their current strategy (Eisenhardt *et al.*, 2000). Eisenhardt *et al.* (2000), further explain that flexibility refers to balancing structure with the freedom to implement and change strategy. In turn, this will facilitate quick response to change (Bhide, 1994), as well as regular assessment of the firm's core resources and competencies to ensure they are developed and reconfigured (Prahalad and Hamel, 1990). In this way, flexibility leads to competitive and sustainable advantage (Barney, 1991). If a firm fails to renew its resources or key strengths, its future strategic options will be eliminated (Hitt and Reed, 2000). Establishing a clear vision and developing strategy that focuses both on opportunity and advantage within that vision (Hitt *et al.*, 2001) enhance opportunity identification and exploitation as well as the strategies formulated to achieve this exploitation.

Growth is related not only to innovative and creative ideas, but also to the structure and strategy to turn such ideas into profitable ventures; this is considered by Ireland *et al.*, (2001) to be another central theme within both the entrepreneurship and strategy literature.

Finally, resources and dynamic capabilities appear to be two additional critical components in the study of strategic entrepreneurship. Resources are perceived as value creation drivers via the development of competitive advantage (Ireland *et al.*, 2003), suggesting that possessing valuable and rare resources provides the basis for value creation. The resource-based view (RBV) (Mosakowski, 2002) is aligned with the main dimensions of strategic entrepreneurship; value creation in the marketplace through opportunity exploration and exploitation, and sustainable competitive

advantage. Hence, it provides a useful complementary framework for understanding the development of necessary resources. The link to strategic entrepreneurship is apparent in the need to identify, develop and leverage the resource portfolio of an organisation advantageously in order to achieve entrepreneurial outcomes.

Lastly, dynamic capabilities are the firm's capacity to renew physical resources and skills at a high pace and to achieve correspondence with a changing business environment (Eisenhardt and Martin, 2000). Thus, continually improving current resources and building new ones to maintain competitive advantages and to exploit identified entrepreneurial opportunities over time is crucial.

It is evident that enterprises from emerging markets that exhibit high growth and fast internationalisation employ concepts and the fundamental characteristics of strategic entrepreneurship. As established earlier, conditions in the international business environment demand that successful firms adopt entrepreneurial strategies (McGrath and MacMillan, 2000; Morris, Kuratko and Covin, 2008). Entrepreneurial firms are often fulfilling visionary strategies under severe resource constraints, so strategic entrepreneurship has paid attention to the full range of tangible and intangible resources needed. It has deconstructed business processes to look in detail at the management process involved in acquiring, developing and managing these resources, recognizing the role of leadership, and the ways in which risk, and the achievement of innovation, is managed.

Strategic entrepreneurship, however, has not addressed the international diversification of firms, nor how the firms practice the management of their high international growth through creating business groups. The portfolio entrepreneurship literature adds further dimensions to our understanding of entrepreneurial growth processes and their implantation. This is explained in the subsequent section.

3.5 Portfolio Entrepreneurship and the Growth Process

Portfolio entrepreneurship research identifies entrepreneurs with existing businesses as an important, possibly the major, source of new high-growth businesses. Storey, Keasey, Watson and Wyncarczyk (1987) demonstrated that 80% of the directors of fast growth firms owned other businesses, compared with a figure of only 30% of directors of other firms. In quoting these results, Storey was later to conclude that “portfolio owners are therefore of key importance” (Storey 1994: 112). Scott and Rosa (1999) also noted that three quarters of the Scottish high growth firms they studied were associated with at least one portfolio owner, compared to rates at least half that in their general population of new companies and firms.

The fact that so many fast growth firms are associated with the activities of portfolio owners suggests that many entrepreneurs prefer to grow through starting a succession of businesses rather than through growing a single business. There are many reasons associated with the development of business groups by portfolio owners, including managerial devices for spreading risk, and the rationalisation of administrative functions to lower costs. However, the portfolio entrepreneurship literature reveals that processes of entrepreneurial diversification commonly underpin the addition of new businesses to an entrepreneur’s portfolio of companies (Rosa, 1998), and that the formation of business groups can be conceptualised as a lateral growth strategy, particularly in entrepreneur led smaller enterprises (Carter, 1998; Rosa and Scott, 1999; Ucbasaran, Wright and Westhead, 2003c)

Experienced and successful entrepreneurs arguably have greater human, social and financial capital to devote to the growth of their business, though research demonstrating this remains inconclusive (Ucbasaran *et al.*, 2008). The key question, however, is why do portfolio entrepreneurs choose to grow by establishing new businesses, rather than by internalising growth in the same business (Wiklund and Shepherd, 2008)? Recent research by Iacobucci and Rosa (2010) demonstrated that there are substantial advantages to ring fencing growth in a new business, particularly (a) to concentrate resources on the emerging firm without risking the main

business(s) and (b) by enabling the creation of a new entrepreneurial team to develop the business (which can involve partner entrepreneurs or key managers). The new firm enables equity to be shared with partners without compromising ownership in the other businesses in the group. The importance of these reasons, we suspect, is magnified when growing internationally, as successful internationalisation usually requires the development of partnerships with stakeholders from the new country being accessed. These stakeholders may include not just agents and managers, but also entrepreneurs and non-business actors such as politicians to help smooth the way for the new business. Indeed, it is often mandatory to establish an operation abroad as a separate firm in some countries (Iacobucci and Rosa, 2005).

The economic business literature offers some theoretical perspectives on why growth through the development of business groups may be particularly appropriate in the context emerging markets (Khanna, 2000; Yiu *et al.*, 2005; Silva *et al.*, 2006). This is essentially a Kirznerian (1979) argument, where equilibrium and perfect information, primary assumptions of neoclassical economic theories, do not hold for real economies. In developing countries information asymmetry is marked, and social, economic and political conditions can be volatile. When this is combined with high and unmet demand for many new products and services, this produces a mix, highly favourable for Kirznerian (1979) “alert” entrepreneurs, capable of exploiting a diversity of new markets and niches. How do these alert entrepreneurs pursue international diversification and portfolio entrepreneurship through their human and social capital is discussed in the subsequent section?

3.5.1 Role of Human and Social Capital in Portfolio Entrepreneurship

Business founders pursue portfolio entrepreneurship through their human capital: education and start-up experience; and their social capital: business networks and links with government support agencies (Wiklund and Shepherd, 2008). With the purpose of advancing the understanding of portfolio entrepreneurship, Wiklund and Shepherd (2008), use human and social capital theory to hypothesize differences in

entrepreneurial action based upon a founder's human and social capitals, as well as the implications of capital differences across portfolio founders in how these actions are organized. Scott and Rosa (1996) provided an understanding of how different portfolio entrepreneurs protect their entrepreneurial activities, by examining empirically the factors that influence the choice by business founders to create additional independent organisations for entrepreneurial activity or not.

Wiklund and Shepherd (2008) used resource-based theory to focus on entrepreneurial outcomes and how those new entries are organized. RVB theory offers an explanation for who engages in portfolio entrepreneurship as well as the mechanisms for how they do it. In their article, Wiklund and Shepherd (2008), investigated aspects of human and social capital relevant to portfolio entrepreneurship and classified them in terms of whether they are generic or embedded resources. For the embedded resources, they hypothesized that these are the most appropriate mode for housing portfolio entrepreneurship. Wiklund and Shepherd (2008) concluded that business founders with more education were more likely to engage in portfolio entrepreneurship. Habitual founders were more likely to engage in portfolio entrepreneurship and are probably better at interpreting information and judging whether it is suitable or not to pursue a new entry (Cooper and Daily, 1997). Portfolio entrepreneurs also have the knowledge to assess what resources are needed and how they should be assembled when pursuing a new entry (Davidsson and Honig, 2003). Business network membership had a positive association with the pursuit of portfolio entrepreneurship, suggesting that these founders leverage their business contacts to access the resources needed for new entry (Davidsson and Honig, 2003). But, why are these founders/entrepreneurs motivated to diversify in the first place and what are the factors that stimulate them to pursue portfolio entrepreneurship? Motivations for portfolio entrepreneurship will be considered in the ensuing section.

3.5.2 Motivations for Portfolio Entrepreneurship

Profit-maximisation cannot be the only reason explaining why growth-seeking entrepreneurs have more than one business. The literature indicates that motivations for portfolio entrepreneurship can be diverse. They range from entrepreneurs who invest in several sectors at once and who are thus able to move their capital between various enterprises as the market conditions require. Other types are the small-scale traders who diversify their economic activities to cover both productive and distributive functions; and the kind of entrepreneur who diversifies as the only survival strategy available to marginal businesses. Much of the wider literature also highlights the importance of the business-owning family in the decision to engage in portfolio strategies. The circumstances in which family-businesses may decide to engage in portfolio approaches include: the development of opportunities for offspring or wider family members; the division of the business to accommodate the succession of multiple siblings; and the search for alternative income opportunities when the core business faces unfavourable market conditions.

Mulholland's (1997) study of successful, middle-class business families provides an interesting case of entrepreneurs who invest in several sectors, moving capital between enterprises as conditions require. The study examines the entrepreneurial, managerial and preservation strategies characterising successful family businesses, drawn from majority white and minority ethnic communities. Interestingly, Mulholland's sample of seventy family businesses contains fifteen businesses that diversified into a wide range of activities. In one of these cases, owned by an ethnic minority family, the expansion of the business coincided with the incorporation of the founder's five siblings. Mulholland (1997: 695) argues that the employment of male siblings is consistent with the management practices characteristic of industrial family capitalism, "providing career paths, while also safeguarding against labour market discrimination" that ethnic minorities potentially face (Mulholland, 1997). Portfolio entrepreneurship is not necessarily a phenomenon confined to middle or professional classes. Traders can often diversify their economic activities in order to make a living in highly risky settings (Carter and Ram, 2003). As shown above, the

literature highlights other contexts and very different motivations for engaging in portfolio entrepreneurship strategies, but how does the actual process occur. The process of portfolio entrepreneurship is examined in the next section.

3.5.3 The Process of Portfolio Entrepreneurship

The actual process and the circumstances in which portfolio entrepreneurship arises, is enriched through employing literature with a much more process-oriented approach to business development (Rosa and Scott, 1999; Carter and Ram, 2003). The literature suggests that for many firms, family circumstances may influence both the decision to engage in portfolio strategies and also the processes that are used in the portfolio approach (Carter and Ram, 2003). Research suggests that business owners approach the growth process in a variety of ways, not all of which are measurable using the firm as the main unit of analysis (Scott and Rosa, 1996; Westhead and Wright, 1999). The analysis of business ownership activities of individuals suggests that some entrepreneurs are associated with a large number of enterprises (Rosa and Scott, 1999; Carter and Ram, 2003). Moreover, it has been suggested that, where individual firm growth is restricted, for example by either fiscal or sectoral considerations, multiple business ownership may be used as a mechanism for achieving growth through the development of a portfolio of entrepreneurial interests (MacMillan, 1986; Scott and Rosa, 1996; Carter and Ram, 2003). Portfolio entrepreneurship offers an approach that concentrates on growth across potentially wider sections of business sectors. Recent articles have reinforced the view that portfolio entrepreneurship can contribute to a more encompassing approach to firm survival and growth.

Processes will vary according to both motivations and available resources. For family dominated enterprises, a key element of the portfolio process is likely to derive from the resources immediately available to the family. Family business firms have the ability to vary the flow of capital, labour and other resources as and when conditions dictate (Iacobucci and Rosa, 2005). Interaction between household and business gives a specific dynamic to family enterprises. Portfolio ownership approaches can

be seen both as a strategy for family survival through the introduction of alternative income sources, and as a structural regulator to accommodate business succession (Mulholland, 1997; Ram, 1994). In Mulholland's (1997) study, the success of business families was attributed to a combination of entrepreneurial qualities. "Enabling resources" included a background, expertise and connections in business and profound market awareness, coupled with the need to integrate educated "male family members" into the enterprise (Mulholland, 1997: 695), in line with cultural expectations. As family members join the business, the enterprise partially fragments to accommodate their individual needs and expectations for business autonomy and control. Thus, while the need to provide employment for male members of a family may be a key motivation to implement a portfolio strategy, it also informs the process (Carter and Ram, 2003). The utilisation of social networks is also critical and is not confined to middle or professional classes (Long, 1979). Networks are valuable for the flow of general information and for the provision of specialist advice. Hence, the crucial making of networks is essential in understanding the processes of multiple business ownership (Wiklund and Sheperd, 2008). There is no doubt that portfolio ownership is a complex and dynamic process, bounded both by the structure and strategies of the industry sector and the personal decision-making of the owners (Rosa and Scott, 1999). The processes involved in portfolio ownership include the crucial use of social networks as well as family and kinship networks and professional or business networks.

Thus it is possible to emphasize the crucial need to focus on the processes aspects of portfolio entrepreneurship, including both the context in which portfolio ownership occurs and the strategies that are used to bring it about. Since the context of this research is concerned with the international growth process of firms from emerging markets, the following section examines the concept of international diversification in order to understand the portfolio entrepreneurship behaviour of the firms under study.

3.5.4 International Diversification

International diversification is a growth strategy whereby the firm seeks market opportunities offshore (Capar and Kotabe, 2003). Contractor, Kundu, and Hsu (2003) use the term “international expansion”, while Hitt *et al.*, (2006a) talk about “internationalisation” to describe similar concepts. This is usually a market diversification, firms tend to use the same set of service offerings and diversify into new markets (Løwendahl, 2000). While firms generally expand internationally with a view to improving their long-run financial performance, research on diversification in general (Campa and Kedia, 2002) and international diversification in particular (Lu and Beamish, 2004; Ruigrok and Wagner, 2003) has questioned the effectiveness of these strategies (Brock and Yaffe, 2008). The firm’s ability to succeed in international diversification requires the overall capability to achieve both revenue and cost benefits (Hitt *et al.*, 1997). It entails a set of dynamic capabilities (Eisenhardt and Martin, 2000) that includes the ability to structure foreign business units effectively, hiring and retaining suitably qualified staff; and learning from new sources of information about clients, competition, costs, and technologies.

Blomstermo, Eriksson, Lindstrand and Sharma (2004) use the term “experiential knowledge” to include accumulated knowledge concerning the firm’s international diversified operations in various markets, and the capability to exploit this knowledge in an on-going and effective way. Hadley and Wilson (2003) similarly discuss “experiential knowledge” as a key capability for the internationalising firm. Experiential or tacit knowledge reflects the firm’s ability to tap into its know-how with respect to making smart choices in the process of internationalising. For example, an experienced firm is more likely to select suitable locations, suppliers, partners and information systems in foreign locations (Fang *et al.*, 2007). The resource-based view of the firm would see this tacit knowledge as a rare, inimitable, and valuable resource that would lead to competitive advantages for the internationalising firm – a set of capabilities summarized by Hax (2007) as “a track record of being superb.” Thus, resource and learning considerations help in conceiving the dynamic capabilities that an entrepreneurial firm would need for

successful globalisation (Brock and Yaffe, 2008). This is in line with the author's earlier analysis that growth is sustained through diversification by entrepreneurs starting new additional firms (Rosa and Scott, 1999) and in this case within an international context as well. As established earlier, the drive for diversification, whether national or international, of new businesses encouraged entrepreneurial groups to expand and develop faster. Sustained high growth of internationally diversified business seems to be a significant element of the entrepreneurial phenomenon achieved through a set of companies run by the same entrepreneur or entrepreneurial team. So, the subsequent section will study the role of entrepreneurial teams in managing and growing their organisations as they expand and diversify internationally.

3.5.5 Entrepreneurial Teams and Business Groups

The growth process of entrepreneurial firms is frequently achieved through the formation of business groups (i.e. a set of companies run by the same entrepreneur or entrepreneurial team). Iacobucci and Rosa (2005) hypothesised that Business Group Formation was a result of an entrepreneurial growth process by diversification of the original activity. This entrepreneurial growth process offers an alternative explanation for the formation of Business Groups, than that arising from managerial efficiency and expediency. The main aim of their article "Growth, Diversification, and Business Group Formation in Entrepreneurial Firms" was to explore group formation through entrepreneurial diversification using a sample of high growth entrepreneurial firms. Their analysis demonstrated that the running of a group of companies by the same entrepreneur is not only initiated by geographical extension of their operation and by diversification but also by the differentiation policy aimed at serving different market segments within the same sector (Iacobucci and Rosa, 2005: 65).

Entrepreneurial processes are important in the context of business group formation. Iacobucci and Rosa (2005) explain that they can be of three kinds; first they could be associated with the actions of a dominant "owner" entrepreneur who exploits new

business opportunities and adds new products and value to the existing business. This may result in new subsidiary companies being added to the group. Second, they may be linked to new value being found from below, from the activities of “intrapreneurs”. This again can result in companies spinning off from or adding to a group. Third, there is a combination of the two, when dominant CEOs though not owners may still indulge in entrepreneurial experimentation resulting in new ventures. The incentives to change can result in new entrepreneurial realignments of activities (Iacobucci and Rosa, 2005; 66). The setting up of new companies by the same entrepreneur is most commonly the result of a growth process by diversification (Rosa, 1998). Diversification, it has been hypothesised, occurs: (a) as a survivalist strategy (Robson *et al.*, 1993); (b) as a result of entrepreneurial “dynamics” (Donckels *et al.*, 1987); (c) as the result of family or entrepreneur capital accumulation (Scott and Rosa, 1996; Iacobucci and Rosa, 2005).

As established by Rosa (1998), growth is the result of an entrepreneurial process “...in which the entrepreneur is constantly identifying and evaluating new opportunities... [and] over time, a significant ‘portfolio’ of surviving ventures (acquired or founded) can be built up” (Rosa, 1998: 44). Empirical research by Rosa (1998) and Rosa and Scott (1999b) seems to demonstrate that related diversification is commonly associated with growth, which is when entrepreneurs seize opportunities arising from its existing activities. Unrelated diversification, where there is a sudden change of direction into a new business area, is less growth oriented. Both related and unrelated forms of diversification can lead to new businesses being added to the business group as explained by Rosa (1998) and later by Iacobucci and Rosa (2005). They describe entrepreneurial firms as “characterized by ownership concentration and the direct involvement of the entrepreneur or entrepreneurial team in the effective control of the firm”.

Unrelated diversification policy in entrepreneurial firms could be a solution for reducing specific risk (Iacobucci and Rosa, 2005: 69). Rosa (1998) shows, however, that the planning of new ventures is less intense when the entrepreneur is doing well. Serendipity and opportunism can lead to rapid decisions being taken to diversify into

a new company. When economic conditions are less favourable, however, the entrepreneur usually stops opportunistic diversifying and pursues a strategy of diversification to survive that was usually a carefully planned process, and often involved unrelated diversification (Rosa, 1998). The definition of entrepreneurial teams, as explained by Iacobucci and Rosa (2005), is “persons controlling a company or a group (through ownership) and directly involved in the management of it.” As established earlier, portfolio entrepreneurship through diversification enhances the formation of entrepreneurial teams. The drive of diversification and differentiation of new businesses allowed entrepreneurial groups to expand and develop faster. Sustained high growth of diversified business is a significant element of the entrepreneurial phenomenon achieved through a set of companies run by the entrepreneurial team. This emphasizes the crucial role of entrepreneurial teams in running the businesses as they grow, diversify and more importantly as firms internationalise through the growth process. The lead entrepreneurs are aware of the vital function of the entrepreneurial teams in managing and sustaining growth and profitability of their respective companies and groups. Lead entrepreneurs delegate comprehensive senior management tasks to their respective entrepreneurial teams, thus allowing complete control on all business aspects. In most of these business groups lead entrepreneurs give ownership options and shareholding participation in their companies. The expansion of business groups can be anticipated as a means of focusing resources on growth, and involving and developing an entrepreneurial team to which the lead entrepreneur(s) delegate (Iacobucci and Rosa, 2005).

3.5.6 Importance of Portfolio Entrepreneurship as a Growth Strategy

In conclusion, the discussion above highlights the importance of portfolio entrepreneurship as a growth strategy. Growth appears to be mainly the result of an entrepreneurial process in which the entrepreneur is constantly identifying and evaluating new opportunities, hence through this diversification process, a significant “portfolio” of surviving ventures is being built up. Motivation for portfolio

entrepreneurship was summarised as entrepreneurs who invest in several sectors at once and who are thus able to move their capital between various enterprises as the market conditions require. This extends to traders who diversify their economic activities to cover both productive and distributive functions. Last but definitely not least; such portfolio strategies are adopted by the business-owning families in order to: develop business opportunities for offspring or wider family members; to divide the business to accommodate the succession of multiple siblings; and to search for alternative income opportunities when the core business faces unfavourable market conditions.

Diversification was shown to enhance the formation of entrepreneurial business groups. Business groups' formation leads to the formation of entrepreneurial teams to manage their companies as they grow, diversify and internationalise through the growth process. Entrepreneurs pursue and protect their portfolio activity through their human and social capital. The next section will encapsulate the strategic and portfolio entrepreneurship literature components and integrate them with international entrepreneurship literature previously discussed in Chapter Two, in order to present a modified conceptual framework.

3.6 Summary and Finalised Conceptual Framework

The extant literature of international entrepreneurship does not explain the high growth and rapid internationalisation of firms from the emerging market of the MENA region observed in the author's exploratory pilot study. The literature appeared to be focused on small and medium enterprises internationalising from developed countries. Little attention is paid to firms internationalising from emerging markets. Although international entrepreneurship research recognises the critical role of the entrepreneur in the internationalisation process, it does not explain the *management* processes undertaken by these entrepreneurs as they develop and lead their firms' internationally. This study seeks to understand *how* the entrepreneur manages and mobilises resources and capabilities; *how* does he craft competitive advantages for his firm as it internationalises? International entrepreneurship research

has yet to address this aspect in detail. The pilot exploratory study and the subsequent review of strategic and portfolio entrepreneurship literature provides further insights as to the *why* and *how* entrepreneurs/firms from emerging markets grow fast and internationalise early and rapidly. Strategic entrepreneurship literature enhanced our understanding of the management process involved in acquiring, building, developing and managing tangible and intangible resources, recognising the role of leadership, and the ways in which risk, and the achievement of innovations are handled. Additionally, the portfolio entrepreneurship literature brings further dimensions to our understanding of entrepreneurial growth processes and the role of entrepreneurial teams in the management and internationalisation processes.

The integration of strategic and portfolio entrepreneurship literatures into international entrepreneurship literature will enable this study to examine the behaviour, motivations and management processes in greater depth so as to explore the high growth and rapid internationalisation processes of firms from the emerging market of the MENA region. By doing so this thesis aims to address both the theoretical and empirical gaps of this research.

Incorporating concepts of international entrepreneurship theory, strategic entrepreneurship theory and portfolio entrepreneurship theory, this research takes an integrated approach to understand how enterprises from emerging markets grow fast and internationalise rapidly. This research aims to investigate the importance of the entrepreneurial and managerial processes in explaining the growth and internationalisation strategies. By offering a new approach employing an entrepreneurship perspective, this research is presenting a new dynamic and complementary framework to the literature. This integrative approach provides new insights and deeper understanding of the processes of high growth and fast internationalising firms from emerging markets. This research extends this literature by focusing on a new perspective of integrating concepts from the entrepreneurship literature, namely notions from international, strategic and portfolio entrepreneurship theory. By integrating those aspects, this study seeks to gain rich insights into how

the strategic entrepreneurial process enhances our understanding of the high growth and rapid internationalisation of enterprises from emerging markets.

In conclusion, this chapter has presented an analytical synthesis of concepts from strategic entrepreneurship literature as well as portfolio entrepreneurship literature. This critical review has resulted in identifying strategic and portfolio entrepreneurship processes that the author considered being crucial in addressing the research question of *how* firms from emerging markets of the MENA region grow and internationalise rapidly.

These strategic entrepreneurial processes included entrepreneurial leadership concepts, entrepreneurial strategic behavioural concepts as well as strategic thinking that explain the motivations behind the process of high growth and rapid internationalisation. The strategy of international diversification was discussed and analysed upon reviewing portfolio entrepreneurship literature to complement the understanding of the international growth strategy through the formation of business groups and entrepreneurial team management. Upon providing a critically evaluative stance in relation to the existing literature of SE and PE, this study then integrates these two strands of literature to IE literature in order to produce a comprehensive modified guiding framework that links the literature review to the aims and objectives of this research. The modified research conceptual framework is presented in Figure 3.1. It represents the integration of the concepts of entrepreneurial and managerial processes together with the identified theoretical components from IE, SE and PE literatures.

The conceptual framework for high growth and rapid internationalising firms from emerging markets as presented in Figure 3.1 restructure the initial conceptual framework such that it includes three main columns. The first column represents the “Subjects” who are the entrepreneurial actors: entrepreneur, founder, family member and entrepreneurial team member. The second column represents resources and capabilities, which are expressed in terms of human, social and financial capitals. Knowledge, networks, background education and experiences, professional skills as

well as financial assets constitute part of the tangible and intangible resources and capabilities of the entrepreneurial actors and their respective firms.

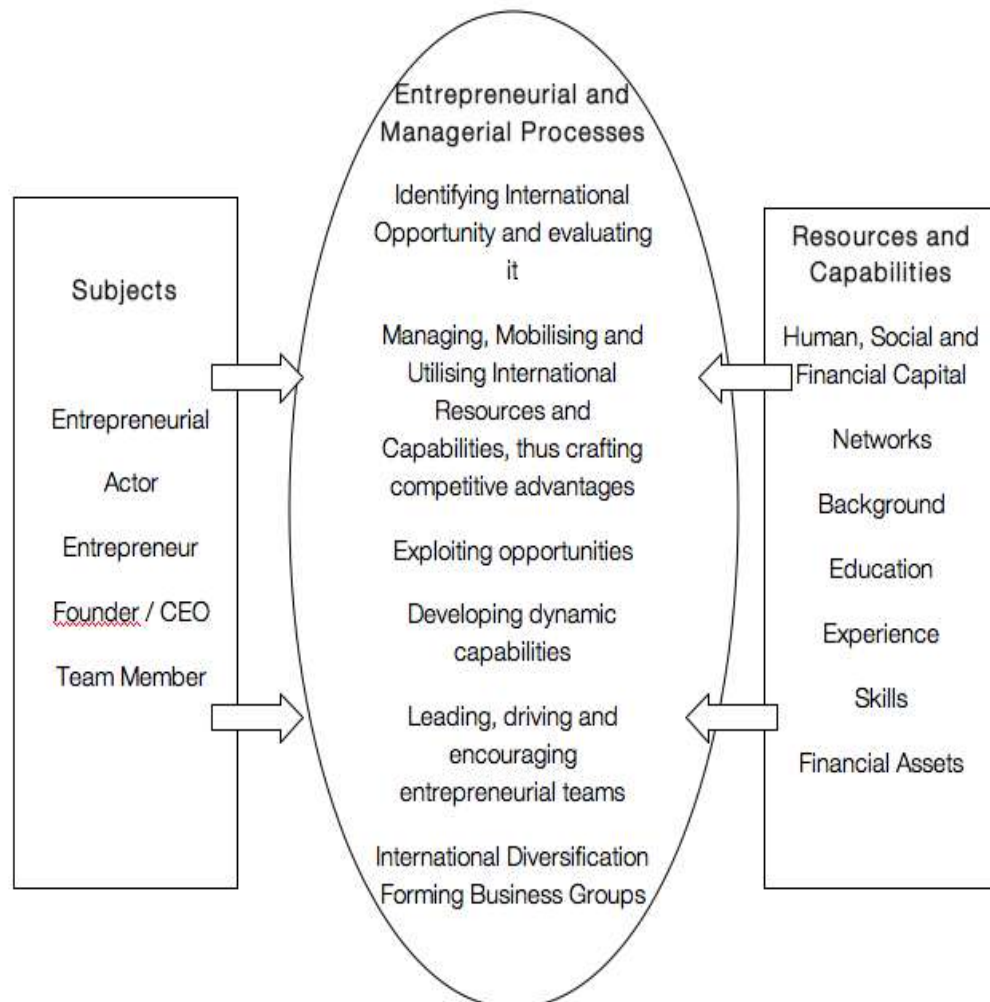


Figure 3.1: Modified Conceptual Framework
High Growth and Rapid Internationalising Firms from Emerging Markets

Source: Author

The middle column represents the managerial and entrepreneurial processes of how the subjects (entrepreneurs and entrepreneurial teams) are managing, mobilising and utilising resources and capabilities, thus crafting competitive advantages as they identify and exploit international opportunities to grow and expand across foreign

borders. The framework is modified in order to capture *how and why* entrepreneurs and entrepreneurial teams interact dynamically through managerial and entrepreneurial processes to achieve high growth and rapid internationalisation of their emerging markets enterprise.

Presenting a more adequate conceptual framework enables an empirical exploration of the research questions posed at the outset of this study and furthermore enables various previously identified research gaps (Chapters Two and Three) to be addressed. Despite addressing previous gaps this chapter also identifies what can be considered to be an additional gap within the literature. Prevalent literature on internationalisation has not employed strategic entrepreneurship and portfolio entrepreneurship to study internationalisation. Thus to this extent this thesis incorporates strategic and portfolio entrepreneurship to study the internationalisation of firms from emerging markets and helps enhance our understanding of their high growth through an internationalising process.

Table 3.1 sums up all factors and variables discussed in this chapter, which constitute the additional core elements of the working conceptual framework. The table summarises the meanings and the literature sources of each factor and variable affecting the high growth and internationalisation processes as reviewed in this chapter.

The ensuing chapter, Chapter Four, presents the methodological approach adopted in this thesis. The modified comprehensive conceptual framework constructed and presented in Figure 3.1 guides the methodology employed.

Factor /	Meaning	Literature
Strategic Entrepreneurship	Combination of actions distinctly entrepreneurial (focusing on opportunity) with actions essentially of a strategic nature (creating and sustaining competitive advantage).	Lumpkin and Dess (1996); Covin and Miles (1999); Eisenhardt and Martin (2000); Ireland et al. (2001)
Leadership	The value placed by the entrepreneur on entrepreneurial and strategic leadership. Ability to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes to create a viable future for the firm.	Ireland et al. (2001); Hitt et al. (2001); Kuratko (2007); Kuratko and Audretsch (2009)
Strategic And Entrepreneurial Management	Managing, Mobilising and Utilising international Resources and Capabilities, thus crafting competitive advantages through managerial and technical innovation; Proactive and acceptance of risk	Kuratko, Ireland and Hornsby (2001); Ireland et al. (2003); Foss et al. (2008); Wright (2009)
Dynamic Capabilities	Reconfiguring and building internal resources and core competencies	Kuratko and Audretsch (2009); Kyrgidou and Hughes (2010)
Portfolio Entrepreneurship	Entrepreneurial lateral growth strategy processes. Setting up of new companies is the result of a growth process by diversification	Scott and Rosa (1996); Rosa (1998)
International Diversification	International diversification enhances the formation of entrepreneurial business groups.	Hitt et al. (1997); Eisenhardt and Martin (2000)
Business Groups	Business groups' formation leads to the formation of entrepreneurial teams to manage their companies as they grow, diversify and internationalise	Iacobucci and Rosa (2005); Iacobucci and Rosa (2010)
Entrepreneurial Teams	Entrepreneurs and manager team members of companies that internationalised successfully. Team members' capabilities foreign work experience and International/Global vision	Iacobucci and Rosa (2005); Iacobucci and Rosa (2010)
Human And Social Capital	Entrepreneurs pursue and protect their portfolio activity through their human and social capital	Carter and Ram (2003); Wiklund Shepherd (2008)

Table 3.1: Additional Core Elements
Affecting Entrepreneurial Internationalisation Processes
Source: Author

Chapter Four: Research Methods

4.1 Introduction

This chapter discusses the research methodology used to investigate the high growth and rapid internationalisation processes of enterprises from the MENA region. The exploratory nature of this research suggests that a triangulation methodology that involves using more than one method to gather data, such as interviews, observations and documents, (Denzin and Lincoln, 2005); and which combines a multi-phased design, is appropriate for this study. Case studies are a preferred approach when ‘how’ or ‘why’ questions are to be answered, when the researcher has little control over events and when the focus is on a current phenomenon in a real-life context (Yin, 2003). Triangulation is one of the defining features of a case study. It refers to the collection of data through different methods or even different kind of data on the same phenomenon, (Ghauri, 2004). Consequently, this research adopts a case study design with stages covering various data collection and analysis methods to fulfil the objectives of this study. The author built up case data through interviews, written documentation and observation. When planning personal interviews, she made a special effort to include multiple viewpoints in the data set by interviewing founders, entrepreneurs, entrepreneurial team members and financial experts to gain in depth insights from qualitative data. The role of quantitative data was mainly to construct a dataset and general profiling for the HGRI MENA firms.

This chapter is organized as follows: the next section presents the research questions drawn together at the end of the literature review and derived from the conceptual framework. Section 4.3 analyses the features of different research approaches in social science and discusses the research philosophy and approach that underpins the methodological choice in this study. After that, a detailed research design of the fieldwork, which covers the research process, methods of data collection, the choice and access of research subjects, and the methods of data analysis are discussed. Section 4.5 analyses the methodological limitations and quality of findings. The

ethical issues are addressed in Section 4.6, followed by the chapter summary in Section 4.7.

Appendices associated to data in this chapter like the interview guide, list of interviewees, constructed data set of MENA region HGRI firms and the within case thematic analysis of the case companies are referenced respectively and presented at the end of the thesis. Each appendix is referred to at its appropriate section in the chapter.

Research Questions

Given the insights gained from the literature review, and guided by the conceptual framework, the following specific research questions and objectives are formulated for investigation.

<i>Objective One:</i>	<i>Objective Two:</i>
To explore and investigate the characteristics and behaviour of the emerging market MENA region enterprises as they grow fast and internationalise early and rapidly.	To examine and understand the entrepreneurial and managerial processes during the growth and internationalisation of firms from the MENA region.
<i>Research Questions</i>	<i>Research Questions</i>
<i>Who</i> are the entrepreneurial actors (subjects) from the MENA region: who are the entrepreneurs, founders, family members and entrepreneurial teams? What are their perceptions and attitudes regarding internationalisation?	<i>How</i> does the entrepreneurial process of discovery, evaluation, and exploitation of new international business opportunities steer the high growth and rapid internationalisation of MENA firms?
<i>What</i> are the resources and capabilities: Human (knowledge), social (networks) and financial capitals available as tangible and intangible assets of the internationalising firms?	<i>How</i> do entrepreneurs and entrepreneurial teams lead, motivate, and drive emerging market enterprises to high growth and rapid internationalisation?
<i>Where</i> do firms internationalise to: Extent, speed and scope of Internationalisation?	<i>How</i> do MENA firms diversify internationally and form business groups to pursue high growth?
<i>Why</i> do entrepreneurs and their respective firms internationalise: what are the motivations, triggers and environmental factors affecting the high growth and rapid internationalisation.	

Table 4.1 Research Questions and Objectives

Source: Author

The pilot fieldwork helped to refine the tools of investigation of the selected sample firms. The methodological approach adopted to investigate these research questions is discussed in the next section.

4.3 Research Methodology

Methodology refers to the way in which researchers approach problems. Thus, it is suggested that the assumptions, interests and research purposes determine which methodology is chosen in a study. The frameworks within the entrepreneurship literature that guide this research are as follows: international, strategic and portfolio entrepreneurship. Thus, an integration of an interdisciplinary field is presented and then drawn upon (Herron *et al.*, 1991; Zahra and Dess, 2001; Busenitz *et al.*, 2003). Entrepreneurship research is reflected not only in the variety of topics it covers, but also in the different methodologies used by its scholars. This section analyses the research philosophy and approach adopted to build up the rationale for methodological justification.

4.3.1 Research Philosophy and Approach

4.3.1.1 Epistemological Stance

This research's epistemological stance is based on an ontological approach that departs from a time- and human-free objective reality towards a more context-bound inter-subjective reality (Burrell and Morgan 1979; Kvale 1996; Pauwels and Mattyssens 2004), in which the social world is to be understood from the point of view of the individuals who are directly involved in the events that are investigated.

Within the ontological perspective of this study, the event is a central building block of multiple case study research. Pauwels and Mattyssens, (2004) define an event as a discrete unit of information or meaning that can be linked to an interpretation process. Every event has some particular characteristics. It is unique, time bound, enacted and context-bound (Sztompka 1994). The notion of enactment allows for a proactive, a reactive or even a passive position of the agent in the event (Kvale

1996). A process is an event that in turn is made out of events. A process consists of sub-processes that occur in parallel. These intertwined processes often have their own momentum, pace and trajectory (Pettigrew 1997).

This study seeks to understand the drivers and motivations of the internationalisation process undertaken by the entrepreneurs participating in the research, and the knowledge it seeks is thus the reality that the participants construct for them. The research questions posed cannot be answered simply by empirical observations of growth and internationalisation without reference to the meaning they hold for the individual participants and the consequent effects on their decision-making processes. The researcher shares the view that:

“It is necessary to explore the subjective meanings motivating people's actions in order to be able to understand these... [the] role of the interpretivist is to seek to understand the subjective reality of those that they study in order to be able to make sense of and understand their motives, actions and intentions in a way that is meaningful for these research participants.” (Saunders *et al.*, 2003: 84)

The emphasis of this study on the subjective influences of individual perceptions and motivations is already established in the field of enterprise research, which accepts and explores each entrepreneur's own perception and interpretation of the world (Schoenberg and McAuley, 2007). This supports the focus on interpreting the participating entrepreneurs' own responses to the growth and internationalisation opportunities and on the challenges they perceive in their environment, rather than simply assuming that all participants would both perceive and respond to these factors in the same manner. An interpretive approach to enterprise research is also more pertinent than positivism, in the context of theory-building in a young field rather than hypothesis-testing in a mature field rich in theory (Hine and Carson, 2007).

This research is based on an interpretivist paradigm, which stems from an ontological view that the world and reality are socially constructed and given meaning by people (Easterby-Smith *et al.*, 1991).

An interpretivist approach is concerned with subjective, qualitative phenomena that are context rich (Godfrey and Hill, 1995). A subjective approach focuses on deep meanings and aims to understand what is happening in the totality of each situation (Saunders *et al.*, 2007).

Crucial to the interpretivist epistemology is that the researcher adopts an empathetic stance. The approach recognises that the researcher is part of the research process and seeks a subjective insider view of the phenomena (Saunders *et al.*, 2007). An interpretivist paradigm is suitable to this research as it recognises that business situations are complex, multi-faceted and a function of a particular set of circumstances and individuals (Saunders *et al.*, 2007). This is supported by Pettigrew (1997), who argues that organisational processes are embedded in context.

Although an interpretivist approach raises questions of the generalisability of such research, it is argued that as the aims of the research are to capture rich complexities of social situations, understanding replaces generalisability (Saunders *et al.*, 2003).

4.3.1.2 Research Approach

The two major streams of research approaches employed in social science are the “quantitative” research or “survey”, and the “qualitative” research or “field research” (Burgess, 1982; Singleton and Straits, 1999). The two approaches differ from each other in terms of the nature of data that each engenders and the level of analysis at which each operates. However, they are not absolutely exclusive. In the entrepreneurship field a wide variety of methodological approaches can be detected both in theory building and in applied work, ranging from the positivist approach and quantitative methods, to the inductive approaches and qualitative methods. This reflects not only the fact that entrepreneurship has attracted the interest of several disciplines, but also the variety and complexity of issues that entrepreneurship scholars try to address (Chandler and Lyon, 2001; Davidsson and Wiklund, 2001; Ucbasaran *et al.*, 2001). Given the close connection existing in the social sciences between the issues addressed and the methodology used, it is no surprise that entrepreneurship researchers have chosen methods that are best suited to address

their specific research questions. Researchers suggest that the choice of research methods must be made based on understandings of the advantages and limitations of the two approaches and their appropriateness for the research questions (Bryman, 1988; Silverman, 2001).

Quantitative approach originated from the positivism perspective and employs methods such as social survey and experimental investigations. It seeks for the facts and causes of social phenomenon apart from the subjective states of individuals, and believes that sociology should conceive itself only within what can be observed with the senses and that theories of social life should be built in a linear and methodical way on a base of verifiable facts. The quantitative approach is often conceptualised by its practitioners as having a logical structure in which theories determine the problems to which researchers address themselves in the form of hypotheses derived from general theories (Bryman, 1988). It is valuable in terms of its logic structure, relative objectivity, causality, generalization, replication, and comparability, making it a major methodological approach in many social disciplines (Silverman, 2001).

Qualitative research begins by accepting that there is a range of different ways of making sense of the world (Jones, 1995) and the meanings perceived by those who are being researched and with understanding their view of the world (Miles and Huberman, 1994; Pope and Mays, 2000). Qualitative method is an umbrella term for an array of interpretive techniques, which seek to describe, decode, and translate the meaning – not the frequency – of more or less naturally occurring phenomenon in the social world (Van Maanen, 2000). They are described as “thick” (Geertz, 1973: 6), “deep” (Seidler, 1973) and “holistic” (Rist, 1977). They also help reveal complex patterns, and a rich variety of interconnections (Gummesson, 1992: 15). In qualitative research according to Jones (1995), explanation replaces measurement and understanding replaces generalisability. According to Pope and Mays (2000: 42), such methods allow the research to go beyond “snap shots” of “how many” to just “how” and “why” things happen (i.e. studying processes) which statistical analysis is unable to fulfil (Miles and Huberman, 1994: 10).

This research is in agreement with Van Maanen's (2000: 9) qualitative research definition:

"... an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not frequency of certain... phenomena in the social world."

This study adopts a qualitative approach to investigate the high growth and rapid internationalisation processes of enterprises in emerging economies, whereby the philosophical assumptions are that the phenomena being researched are subjective, rather than objective (Easterby-Smith *et al.*, 1991).

The exploration of change in "a firm" calls for holistic explanations of the process (Pettigrew, 1997). A holistic approach provides a comprehensive perspective of the firm, the entrepreneurs, and entrepreneurial team members and how they all connect together. Thus holistic approach is appropriate to this study.

An interpretive oriented approach to research often involves the use of multiple methods (Easterby-Smith *et al.*, 1991). It can be flexible and allow changes in the research emphasis as the research progresses. In order to provide rich insights of the internationalisation processes of firms, an in-depth qualitative approach to data collection is taken which emphasises the use of such rich data (Saunders *et al.*, 2003). Within the qualitative approach of this study, the theoretical perspective features both interpretive and realist ontological positions.

It is noteworthy that although this study adopted a qualitative approach, however, it did implement quantitative preparation techniques to construct the first assembled dataset for MENA region high growth and rapid internationalising firms.

4.3.2 Abductive Approach

Abductive approach allows the combined use of inductive and deductive methods in such a way that permits theory to be refined in light of new insight from data, (Peirce 1955; Dubois and Gadde, 2002). This approach was revealed through the pilot study; thus, this research adopts an abductive approach. The inductive approach aims to

understand deep meanings of the phenomena (Miles and Huberman, 1994). With induction, theory-building takes place after the data has been collected, and is concerned with the context in which events take place (Saunders *et al.*, 2003). It involves developing ideas through induction from the data that are subsequently related to the literature. In contrast, an objective approach is based on deduction where theory is used to develop hypotheses or propositions based on the literature, which are then tested. Theory is used to indicate how variables are measured and focuses on explaining causal relationships between variables. The assumption is that the researcher is independent of the object of the research and neither affects nor is affected by the subject. This study adopts the abductive approach, having both elements of inductive and deductive approaches by using theory to guide the interviews and using emergent field data to help in construction of case studies. The process involved initial exploration on a pilot case study and multiple cases in the light of the available theoretical frameworks of IE, SE and PE, and then inductive theory building from data from these cases in areas where existing theoretical frameworks fail to yield explanations, or yield contradictory or inadequate explanations (Powell 2001, 2003).

Using multiple approaches brings a number of benefits. Being more deeply grounded in varied empirical evidence, the theoretical implications are more robust: adding cases to a level of data saturation brings greater assurance to the theoretical generalisation (Silverman, 2006). Comparisons are enabled, which clarifies whether an emergent finding is distinctive to a single case or is consistently replicated in several cases (Eisenhardt, 1991). With multiple cases, it is easier to determine accurate definitions and appropriate levels of construct abstraction, so that constructs and relationships can be delineated more precisely (Eisenhardt and Graebner, 2007). The internationalisation processes at work in high growth MNEs from emerging economies, and the management processes that enable their development are rich qualitative phenomena, where there is a need to uncover the meanings and aims of those involved if we are to understand what is happening in each firm's situation (Godfrey and Hill, 1995; Saunders *et al.*, 2009). The author also wanted to study how

the firms changed over time, to understand the dynamic nature of the firms' internationalisation behaviour (Welch and Luostarinen, 1988; Andersen, 1993; Knight, 2000). Notwithstanding that, this study began with research frameworks that appeared to be of particular relevance, but the author is aware that these had not been developed in response to the kind of firms currently being investigated. This accounts for the inclusion of the possibility of inductive theory development within the research process.

4.3.3 Strategy of Enquiry

Hartley (1994: 208) defines a case study as 'a detailed investigation, often with data collected over a period of time, of one or more organisations, or groups within organisations, with a view to providing an analysis of the context and processes involved in the phenomenon under study'. The case study research is used to investigate a contemporary phenomenon within its real life context, especially when the focus of the research is on current phenomena (Yin, 2003 and 2009). It is useful to gain comparative insights.

The ultimate aim of multiple case study research is the construction of explanatory middle-range theory (Frederickson 1983). In middle-range theory building, the researcher disaggregates complex contexts and situations into more discrete, carefully defined chunks, and then reintegrates these parts with an explicit analysis of their context (Bourgeois 1979; Peterson 1998). Pauwels and Matthyssens, (2004) describe a methodological framework for multiple case study research as a structure that constitutes four pillars: theoretical sampling, triangulation, pattern-matching logic and analytical generalisation and a single roof of validation through concurrence and iteration. The way they are conceived, these pillars and the roof allow for a flexible architecture of multiple case study research: strong and stable enough to withstand many of the current methodological criticisms fired at qualitative research, yet flexible enough to allow for a research design that meets the challenges of the actual research question, the phenomenon under investigation and the context of the

study, (Pauwels and Matthyssens 2003). Each pillar and the roof are discussed under their relevant section of research design in the ensuing sections.

Case studies can be qualitative, quantitative or combined methods, inductive (to generate/build theory) or deductive (to test theory) and usually uses prior theory (Eisenhardt, 1989 and 2007). Yin (2009) suggests four types of case study design: holistic single case; embedded single case with multiple units of analysis; multiple cases with multiple units of analysis; or multiple cases with one unit of analysis. In this study, multiple case studies were based on interviews with the entrepreneur/CEO and entrepreneurial teams of the participating firms in order to secure a deep understanding of the entrepreneurial and managerial processes undertaken by firms and to uncover the utilisation of networking and knowledge resources within the firms and outcomes of these interactions. Thus this research adopted an approach based on multiple case studies, where each entrepreneur, entrepreneurial team and each firm is a unit of analysis (Yin, 2003). This approach suits this study that is exploratory and theory building and aims to provide deep insights into the processes of internationalising firms.

Furthermore, the use of multiple comparative case studies enables within and cross case comparisons, search for patterns, and general explanations to be developed (Eisenhardt, 1989; Pettigrew, 1997; Yin, 2009).

Case studies can be exploratory, descriptive and explanatory (Yin, 2009). In this study all three approaches are used. The exploratory aspects allow the researcher to answer “what” questions; what were the issues facing the firms and what new recourses and capabilities were required? A descriptive approach is taken to portray an accurate profile of the events and situations (Yin, 2003). An explanatory approach seeks to establish causal relationships between variables and answer “how” and “why” questions (Yin, 2003). The findings from the pilot study indicated that the case study approach is an appropriate research strategy for taking into account the environmental context. It has been found to (a) be capable of piecing together the required contextual factors (Miles and Hurbaman, 1994; Yin, 2009); (b) provide the

tools to study the research issue (i.e. entrepreneurship) in a bound context (Miles and Huberman, 1994: 25); (c) provide ways and means to understand the dynamics present within a single setting (Eisenhardt, 1989) within certain historical period of a social unit (Stoecker, 1991); (d) help understand those processes in their organisational and environmental context (Hartley, 1994), within the meanings of the actors (Hamel *et al.*, 1993).

To fulfil the requirements of analysis of the dynamic managerial and entrepreneurial activities of the international firms, this study had to “go beyond the static snapshot of events and cut across the temporal and contextual gestalts of situations” (Bonoma, 1985: 204). The pilot study demonstrated that this interesting phenomenon could be understood only by taking into account the entrepreneurial team and not the individual entrepreneur alone (see Iacobucci and Rosa, 2010). So, a topic guide-cum-analysis tool (i.e. loose template to assist in data gathering and analysis) was utilised in the multiple case studies for continuous data gathering and analysis throughout the fieldwork. The use of multiple case studies allows the researcher to search for cross-case patterns and themes to provide accurate and reliable theory and capture novel findings that may exist in the data (Eisenhardt, 1989; Miles and Huberman, 1994).

The flexibility offered in case study design allows aspects such as number of cases, scope of cases, purpose and research questions to be modified over time (Eisenhardt, 1989; Miles and Huberman, 1994). This flexibility was important for this study given the abductive and extended nature of this research; it allows emergent issues to be explored.

A comparative approach was adopted in this study, in which a number of fast growth firms were analysed and compared. Hence multiple case study approach was deemed appropriate to investigate the high growth and rapid internationalising firms from the MENA region. To develop the multiple case studies in this research, a combination of participant observation and interviews were carried out (Geertz, 1988; Sharpe, 2004). Participant observation understanding was developed by the author’s immersion in the research setting over the three-year period. The author was part of

the selected industrial context and was well embedded beyond researcher's role. Additionally, and in line with theoretical hypotheses, relationships with the sample respondents became multiplex in nature, as for example, the founder in the pilot study became very interested in the topic of the research and pursued further workshops and seminars in the subject area. The wider network cluster also functioned to pass on information about this study. Over time, a high degree of trust and a detailed understanding was developed between the researcher and the interviewees, their firms and their environmental context, through the participation and the repeated exchange of private knowledge.

The benefits of this affinity with respondents may also bring the disadvantage of becoming too close and incurring a particular bias in observations. To reduce the impact of participatory observer bias, the author was careful to discuss subjective interpretations with her supervisors as they co-authored some articles based on this research. Had time and resources permitted, an independent analysis of a sample of the data would have acted as an extra reliability check. Using a basic topic guide, interviews were carried out and were supplemented by probing to stimulate discussion. Interviews were carried out during the span of research of the three-year period.

4.3.4 Levels and Unit of Analysis

Low and MacMillan (1988) see entrepreneurship occurring across five levels of analysis: individual, group, organisation, industry, and society. They suggest that important insights about entrepreneurship can be gained when researchers are able to conduct studies that are multi-level in nature (Gartner, 2001). Shane and Venkataraman (2000) concur with a view of entrepreneurship was multi-level in nature (p. 225-226), and their discussion of the discovery and exploitation of opportunities focuses on arguments that require the actions of individuals (p. 221-224). They also expand their insights from individuals to firms and institutions via modes of exploitation (Gartner, 2001: 224).

The author notes the diverse views of the scholars of entrepreneurship as they express mixed opinions. It is individuals who carry out entrepreneurial initiatives (Schumpeter, 1934). These initiatives take place in organisational contexts (Moran and Ghoshal, 1999; Shane and Venkataraman, 2000), often resulting in the formation of new firms (Schumpeter, 1934; Gartner, 1988) or the rejuvenation and improved performance of established firms (Covin and Slevin, 1991; Zahra, 1991; Lumpkin and Dess, 1996; Wiklund, 1998). Entrepreneurial initiatives often result in innovations, which in turn may alter existing industries (Schumpeter, 1934), or create new ones (Aldrich and Martinez, 2001). The belief that such processes have profound effects on employment and economic growth on the societal level (Birch, 1979; Baumol, 1993; McGrath, 1999) is one of the major reasons for the increased interest in entrepreneurship (Davidson and Wiklund, 2001).

The level on which the principal research questions are posed and analysed determines the level of analysis, rather than the level at which data are collected (Davidson and Wiklund, 2001). Hence, the research questions in this study focus on *how* and *why* some entrepreneurs seek to grow their businesses rapidly through internationalisation processes, and direct the choice of the entrepreneur as the unit of analysis. To investigate the behaviour, motivation and the factors associated with rapid growth internationalisation through discovery and exploitation of opportunities requires the action of the entrepreneurs as the main unit of analysis. However how the entrepreneurs exploit the opportunities through different modes of growth, internationalisation and diversification has an impact on their firms and often results in the formation of new business entities. Thus, this research follows the approach concerned with analysing the managerial and entrepreneurial processes (Rosa, 1998) in determining the rapid growth through internationalisation of the firm; led by the entrepreneur or entrepreneurial teams to sustain the success and formation of new companies within their business group.

Consequently there are two units and levels of analysis: just as the individual entrepreneur is important, the firm/organisation is equally important. For this reason the main unit of analysis is represented by the entrepreneur / entrepreneurial team

and the secondary unit is represented by the firm/business group. It is worth noting that all observational units in this research are the decision makers in the participating firms.

The suggestion that entrepreneurial capabilities underpin opportunity exploration and exploitation, helps to shift attention from individual level traits (e.g. alertness) to organisational-level issues (e.g. capabilities, systems and processes). This shift can make opportunity recognition, evaluation and exploitation more comprehensible since we can more easily observe how different entrepreneurial capabilities' components interact along these processes. It is often harder to analyse and empirically capture the elusive concept of alertness. Still, it is important to reiterate that the concept of entrepreneurial capabilities translates, rather than replaces, alertness into a meaningful and useful concept within a clearer network (Zahra *et al.*, 2010).

4.4 Research Design

The field study drew on sites visits to the MENA region countries, made by author over a period of three years. The author was familiar with the high growth and rapid internationalisation of some of the firms from this emerging market. However, for meaningful research the author had to investigate different sources of data. Consistent with the methodological choice, this study follows a multi-phased research design with various data collection methods. The author's investigation began with identifying fast growing internationalised firms from secondary sources; and preliminary interviews of CEOs, managers and employees from within the pilot firm. It was followed by an exploratory pilot case study as explained in Chapter Three. A period of participant observation within the pilot case company was followed by textual analysis and triangulation with secondary sources.

With the help of the pilot case company, a snowballing approach identified other case companies, in order to recruit further entrepreneurial leaders. This process authenticated the existence of the phenomenon of high growth and fast

internationalisation firms from the emerging economy of the MENA region, and hence confirmed the empirical prospect of the subject of this research.

The research design constitutes four main sections: stages of the research design, data collection, data presentation and data analysis.

4.4.1 Stages of Research Design

To safeguard the quality of the research, data were collected in different stages according to principles suggested by Yin (1989). The methods of data collection used in this qualitative research were integrated and interconnected. The author structured the research methods to maximise the information and knowledge attained. Figure 4.1 shows the research design in ten detailed stages and it's taken up in subsequent sections.

The structure of the research design was represented in ten stages. Data collection constitutes Stages I through VII, while data analysis constitutes stages VIII through X, Data collection includes the primary and secondary data sources as well as the population and sample details, it is detailed in the subsequent section. The sources of data for this research include in-depth interviews, participant observations and documents. Informants/participants in this study are the top-level founders/owners/board members/managers responsible for decision-making, and they all represent the entrepreneurial manager who plays an important role in the life cycle of his company.

Data presentation includes the descriptive characteristics, the profiles and entrepreneurial narratives of the case companies. Data analysis constitutes the thematic analysis within and across case companies as well as the discussion in relation to the literature reviewed in this research.

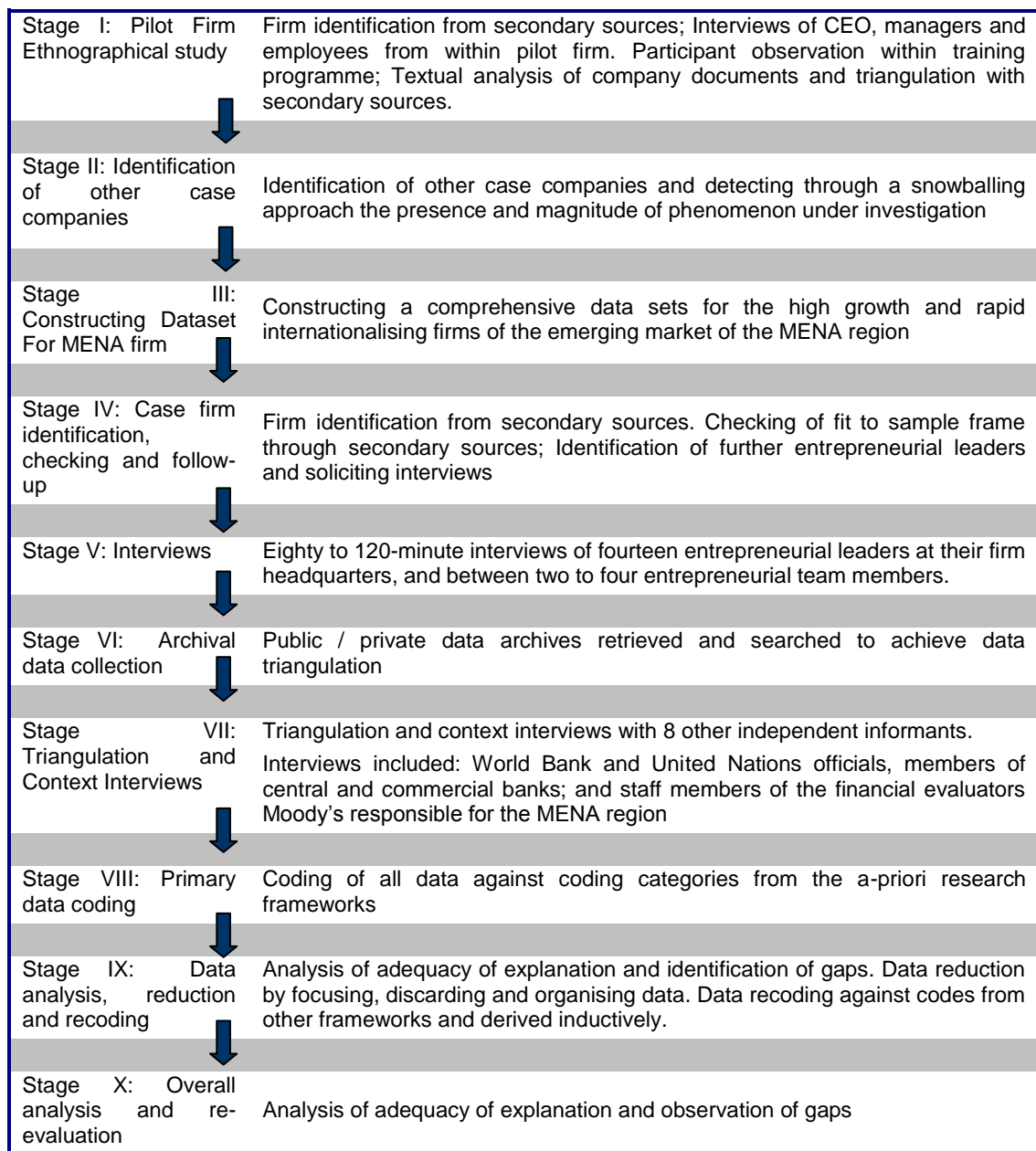


Figure 4.1: Flowchart of Research Design Data Collection and Analysis

4.4.2 Data Collection

The different stages of data collection, as shown in Figure 4.1, were comprised of: Stage I: Exploratory Study of Pilot Case Study; Stage II: Identification of Other Case Companies, Stage III: Constructing a Dataset for MENA Firms, Stage IV: Case Firm Identification, Checking and Follow-up; Stage V: Interviews; Stage VI: Archival Data Collection; Stage VII: Triangulation and Context Interviews.

4.4.2.1 Stage I: Exploratory Study of Pilot Case Study

This study began with an exploratory study of the type developed by Gill and Johnson (2002). A well-known MENA enterprise, Case Company A, was chosen because the founder supported the study. Established in 1998, this telecom MNE is now among the largest network operators in the world, with eighty-two million subscribers, a world market share of approximately 22%, and turnover of US \$4.7bn per year.

This stage drew on ethnographic research approach as presented by Sharpe (1998) in qualitative methods of international business (Welch and Marschan-Piekkari, 2004). It began with a series of three sixty to 180-minute interviews conducted over a period of several months with the firm's founder, which was followed by sixty to 120-minute interviews with twelve senior managers. Both publicly available archival data (from listing documents, annual reports, press releases, etc.) and internal management documents were then subjected to historical analysis. This added to the data triangulation that had already been achieved from the multiple interviews (Welch and Piekkari, 2004).

An extended phase of participant observation was then conducted, based on the ethnographic approach of "naturalistic modes of inquiry" (Gill and Johnson 1997: 96). The interviews and archival analysis showed the training and development department to be a key part of the organisation, a place where all branch and department managers received continuous, rigorous, and intense training. The researcher spent a week as a participant observer in one of these programmes to learn

how these managers are being prepared, motivated and groomed to be “part of the social and cultural structures that cut across the boundaries of the firm, nation, region and globe” (Brannen, 1996: 264). It enabled observation of the firm’s social and cultural management processes across borders (Sharpe, 2004). At a later stage, some of these managers were interviewed as part of the entrepreneurial teams’ sample.

Insights gained from the pilot study further reinforced the conclusions drawn from the literature review that the entrepreneurial/managerial processes only have a meaning within a specific social and physical setting (Miles and Huberman, 1994).

4.4.2.2 Stage II: Identification of Other Case Companies

After the pilot study, a snowball purpose strategy was chosen to select the case companies. However, the increasingly complex issues raised by the pilot case company made it evident that a more systematic approach to sampling was needed. Therefore it was decided to construct the database of HGRI firms to select subsequent cases from. Thus, identification of other case companies took place, and the presence and magnitude of phenomenon under investigation were confirmed. The author managed to collect preliminary data on about ten companies increasing to twenty-eight during the exploratory work conducted after the pilot study. Later on, this became the comprehensive data set that the author compiled for the relevant MENA region firms. This constituted the larger sample of the entire population of 108 firms.

4.4.2.3 Stage III: Constructing a Dataset for MENA Firms

Constructing a comprehensive data set for the sampled firms was a lengthy and cumbersome procedure. The process of compiling this data employed several sources of financial data. These sources included the stock markets of each of the sixteen MENA countries: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia and United Arab Emirates (Dubai and Abu Dhabi).⁵ Further the sources included a number of the world’s

⁵ Other stock exchanges like London, New York, Zurich, Geneva and Berlin were also consulted.

renowned international financial business newspapers (published and online sources)⁶. Other Arabic language newspapers⁷ and financial reports were also used for this study. The author used her networks and knowledge of MENA region market to identify private companies and their founders/entrepreneurs who were not listed as public companies in the stock exchange markets, but exhibited similar criteria characteristics.

Table 4.1 illustrates the different criteria used in the construction of the data set of the MENA region high growth and rapidly internationalising firms and the justification of choice of this set of criteria. The data set was formed on the basis of the following fifteen items: company's name, entrepreneur's name, net worth (\$ BIL) of both the company and the entrepreneur separately, industry, country of origin, number of employees in companies, number of companies in business group, percentage of company's international activities in comparison to original sales, percentage of company's International growth in 3years, entry modes into foreign markets, shareholdings structure of company, and whether the company was partially state owned, privately owned or a family business.

A comprehensive set of data was produced and presented in a table format (see Appendix B). The data set includes full information on 108 companies that constituted the total population of this study.

The criteria of selection was based on being a multinational company from the MENA region, with the number of employees above 1000, a high percentage of sales

⁶ The Financial Times (FT), the British international business newspaper, which specialises in international business and financial news. The FT provides full daily reports on the London Stock Exchange and world markets. Fortune, the global business magazine, known for its annual Fortune Global which features ranking the top corporations worldwide as measured by revenue. The flagship publication Forbes, the bi-weekly magazine, and its online source for the latest business and financial news and analysis covers personal finance, lifestyle, technology and stock markets. The World's Billionaires list based on the annual ranking of the world's wealthiest people is compiled and published by Forbes magazine. The Forbes Global 2000 is an annual ranking of the top 2000 public companies in the world. The ranking is based on a mix of four metrics: Sales, Profit, Assets and Market value in billion dollars. The Forbes Global 2000 companies are the biggest, most powerful listed companies in the world. The Economist articles of the weekly newspaper focusing on international business news and opinion were another yet another source of information.

⁷ Al Ahram, Al Kudus, Al Shark Al Awsat, Sout Al Mal

generated through international business, exhibiting high growth rates in the last ¾ years due to the internationalisation process (study ends 2008), being a listed public company or privately owned, partially state owned or family business. Companies' and entrepreneurs' net worth are expressed in billions of dollars figures. Most of these entrepreneurs and families are members of The World's Billionaires list.

To the best of the author's knowledge, this is the first comprehensive set of data on high growth and rapidly internationalising firms from the MENA region emerging market. The table is presented in Appendix B and the analysis of this data is presented in Chapter Five.

4.4.2.4 Stage IV: Multiple Case Firm Identification: Theoretical Sampling

This study adopts theoretical sampling to select cases that have the potential to offer theoretical insights by capturing the inter-relationships in the data collected (Eisenhardt and Graebner, 2007).

The theoretical reasons for selection include the revelation of an unusual phenomenon, replication of findings from other cases, contrary replication, elimination of alternative explanations, and elaboration of the emergent theory (Eisenhardt and Graebner, 2007). As Yin (1994) summarises, cases are chosen because they are unusually revelatory, extreme exemplars, or represent opportunities for unusual research access. As is common in qualitative analysis, purposive theoretical sampling rather than statistical sampling was used (Silverman, 2000: 104).

This sampling strategy complies with the arguments that qualitative sampling is "purposive" (Miles and Huberman, 1994:27) and "theory-driven" (*ibid*). In qualitative work, it is an established good practice to purposely select a sample of respondents (Miles and Huberman, 1994) who embody the requisite characteristics of the study, and yet are open to intensive, even intrusive, research efforts. Personal recommendation, using the author's network connections, identified respondents most likely to discuss sensitive matters in an open, detailed and trusting manner.

	Set Criteria	Choice of criteria is based on...	Justification
1	Company	Identifying the company	Name of Holding Company
2	Entrepreneur	Identifying the person (WHO)	Name founder/manager
3	Net worth of Entrepreneur	Forbes world's Billionaires list (2008); Arabian Richest Report (2008), FT	Success of entrepreneur is acknowledged by international and regional wealth evaluation reports and lists
4	Net worth of company	Forbes Global 2000 MENA (2008), Stock Exchange Markets of 16 MENA countries, London, New York, Zurich and Berlin Stock Exchange	Due to rapid internationalisation, success of case company is acknowledged by International and regional wealth evaluation reports and lists
5	Industry	Forbes Global 2000 MENA (2008), International and Local Stock Exchange Markets	Success of case company's sector of industry is acknowledged by international and regional wealth evaluation reports and lists
6	Country of origin	Forbes Global 2000 MENA (2008), International and Local Stock Exchange Markets	Enables identification of high growth and rapidly internationalising firms from the MENA region
7	Number of employees in firm	Forbes Global 2000 MENA (2008), International and Local Stock Exchange Markets	Enables identification of multi-national status of Case Company Based on size of company.
8	Companies in business group	Yamakawa, Peng, and Deeds (2008)	Enables management of international diversification and operations.
9	International markets	Zahra and George (2002); Jones & Coviello (2005)	Enables identification of scope and reach of internationalisation
10	Entry modes	Buckley and Casson (1976)	Indicates the host countries receptiveness to case companies internationalising into their markets; indicates difficulties of operations in these host market.
11	Average % of growth over 3 years	Yamakawa, Peng and Deeds (2008)	Indicates how fast the case company is growing; thus justifies high growth of case company through internationalisation.
12	International % of business within company	Oviatt and McDougal (2005); Zarah and George (2002)	Identifying the percentage of international operations performed by case company; enables measurement of the level of internationalisation of case companies.
13	Shareholdings structure: Partially state owned	Peng (2001)	Helps evaluate entrepreneurial orientation of case companies in spite of possibly having a partially state owned shareholding.
14	Shareholdings Private Owned	Dunning (1993)	Helps evaluate entrepreneurial orientation of case companies.
15	Shareholdings Family business	Rosa and Scott (1999)	Helps evaluate entrepreneurial orientation of case companies which still maintain family business traits.

Table 4.2: Justification of Choice of Set Criteria

Source: Author

This was especially important for the study, where extensive interactions over time were called for. The sample of respondent entrepreneurs in this study were purposefully selected following recommendations from business contacts, because they were founding entrepreneurs who continued to be the major owners and managing directors of their ventures; some of their customer base was within the MENA region while others were globally spread. They had significant international growth ambitions and their product/service offerings were knowledge-intensive. The sectoral coverage of the selected firms was wide: telecommunications, pharmaceutical industries, construction and engineering, electrical and optical fibre cables; auto assembling, consultancies, retail, real estate development, fast food franchisee chains, agro-clean cultivation and exporting, software programming, tourism, hotels, new town developments and resorts creations.

Sector diversity of the sample improves reliability of results. While this research makes no claims for the generalisability of its findings, the purposeful sample, examined over time in changing circumstances, provides an opportunity to establish a rich database for the study. This approach is similar to that of Eisenhardt (1989) and that of Eisenhardt and Graebner (2007) where they build theory from case study research. Through this approach, the author gained familiarity with data thanks to the networking she developed with respondents. As she discussed issues of each case and across cases, the reliability and validity of data was strong. The findings, thus methodically obtained, should contribute to building a comprehensive conceptual framework.

Ghuri and Grenhaug (2002) suggest that cases in multiple-case study investigation should be selected to serve a particular purpose in the study. In this research it was not known in advance if the firms had common characteristics (Stake, 2000). The firms were from a mixture of manufacturing/service industries, high/low technology intensity, with one feature in common: rapid internationalisation.

The criteria used for selection of the cases were the richness of data and replication logic, not sampling logic (Perry, 1998). There can be *literal replication* where similar

results are found for predictable reasons or *theoretical replication* where contrary results are found for predictable reasons (Perry, 1998). Thus the selection of cases is “purposeful”, not random sampling (Patton, 2002), involves using replication logic and is dependent on the conceptual framework developed from prior theory (Perry, 1998). Validity is enhanced as emergent relationships are confirmed; theory can be refined or extended where cases disconfirm the relationship (Eisenhardt, 1989). Case studies are generalisable to theoretical propositions, not to populations as in survey research (Yin, 2003).

Case firms were selected from within the MENA region based on some conditions: (a) fit the sample frame definition of founder-owned and managed firms; (b) achieve at least \$1bn turnover within four years of foundation. Those conditions were assessed via secondary sources, such as financial media and internet searching, and through networking processes. In the Middle East, successful entrepreneurs are typically well-known to one another through social and family connections, or through business ties. Of the 108 firms initially identified, access and agreement to participate in the research process was secured from eighteen firms in addition to the pilot case study. The number of cases actually examined was determined by an assessment of data saturation, believed to be attained with a minimum of nine firms. A number that Eisenhardt (1989) argues to be sufficient in qualitative case analysis. However, the author thought that due to the new topic of this research, it would be desirable to get more companies to participate.

4.4.2.5 Stage V: In-depth Interviews

The interviews were aided by a topic guide (see Appendix C), based on the conceptual framework that indicated the main areas to be explored (Smith *et al.*, 1992; Yin, 1994). The interviewees in this study were entrepreneurial managers: owners, board members and senior managers responsible for decision-making. Usually, the CEOs in each firm were treated as the primary decision makers. However, it became clear that in most cases, others pursued much entrepreneurial activity within the firm. As a result, between two and four other entrepreneurial team

members were also interviewed. This approach helped triangulate the data provided by the founders, and provide richer insights into the firms' management processes, particularly into how senior managers worked with one another.

All the interviews ranged from ninety minutes to 180 minutes in length and were conducted in Arabic. On two occasions the interviews lasted for four hours, as the founder/entrepreneur was so interested in telling the "story" of how he managed to take his start-up venture into new international markets, explaining the different challenges he faced as the company expanded.

The choice of language in which to conduct interviews is an important methodological consideration, going beyond personal preference to a reflexive consideration "of power affecting the dynamics of the interview situation" (Marschan-Piekkari and Reis, 2004: 227). The authors recommend that, where linguistic equalities cannot be achieved, the language used should be to participant advantage. It so happened that the present author and some of the interviewees were bilingual, which generally facilitated communications. However, some of the technical terminology was not familiar to the interviewees and the author felt it might affect the ease of flow of the narration. Thus Arabic was the chosen language. This also happens to confirm the view of Chapman *et al.*'s (2004) that local language is of primary importance to international business studies, and that the validity of a research project is determined by the language skills of the researcher.

After an outline of research aims and an assurance of confidentiality by the researcher, the entrepreneurs were asked to describe their identification of the entrepreneurial opportunity that they had faced and how they had exploited it, using the "story-telling" approach developed by Magretta (2002). More and more business researchers find business narratives of special usefulness. Ontologically, narratives are the essence of human behaviour and a fundamental mode of thinking; we often organise and transfer our knowledge in a narrative form (Linde 2001; Williams, 2006). In everyday business, firms represent and market themselves to the general public and specific clients through narratives. Business managers tell stories about

their career or sales triumphs and disasters. Stories are told in a particular context, to particular listeners, by a particular story teller, for particular purposes. When a story is subject to various narrative approaches, a variety of insights can be gained as to what is really being said and why, (Gartner, 2007:614). Narrating is what researchers do when they construct case descriptions and what informants do when they convey the details of their experiences (Riessman, 2002; Czarniawska, 2002).

The interviews were then structured, using open-ended questions, to understand the complexity of the issues and the thinking of the interviewees themselves in as open a narrative as possible (Yin, 1994). The interviews began with the primary objectives for the firm, the strategic decision process, and the major obstacles and challenges faced during planning and implementation, before moving onto discussion of the firm's corporate strategy for international market participation. This began with consideration of the types of entry modes, followed by the role of knowledge about the foreign markets involved (Oviatt and McDougall, 2005). The role of the different types of technologies, and how they were transferred, were examined. The ways of working with others were discussed at length, not only in connection with collaboration, but also the manner in which network relationships affected the process of growth and international development (Tung, 2002). Here, for example, the strengths of the relationships, the network size and density, and the level of acceptance of initiatives introduced by others were examined (Tung, 2001). The interviewees were then asked to reflect on the most important things that they had learned in their experience of initiating foreign operations.

4.4.2.6 Stage VI: Archival Data Collection

The author collected data in different stages according to principles suggested by Yin (1994), and gathered data from secondary sources, to enable data triangulation with the primary interview data. This was to cushion against the risk of understandable respondent exaggeration by "proud" entrepreneurs. This secondary data included external official documents (e.g. annual reports, stock-exchange listing documents, etc), internet sites (of both the firms themselves and of external bodies such as

stockbrokers), written and visual media documents (e.g. newspaper reports and television programmes) and internal documents and archival data (e.g. firm histories). Those factors affected the choice of firms: most were listed in stock exchanges, and thus had to follow minimal level of public notification and audit. The listing documents are particularly useful, typically being more wide-ranging and extended than regular audited public reports. The growth of those firms was often cited in various international stock markets.

Prior and during the different stages of the data collection a number of diverse documents were acquired, reviewed and utilised. These documents were divided into four categories: external official documents, websites and the internet, written and visual media documents, and the internal documents and archival data

(a) *External Official Documents*

Prior to Stage I, the author obtained external official documents. These were documents produced by the companies themselves; however, Public Auditors and Certified Accountants authenticated them. As all those companies were listed on the Stock Market of different major cities including Cairo/Dubai/Doha/London and New York, documents concerning the value and net worth of these companies are made public as part of the shares offering requirements. The net worth of different companies expressed in share values is published every day by law and therefore in the public domain. The stock markets' evaluation of any company includes: Net worth Report; Index Value Report; Shareholders Report.

Acquiring these documents was of utmost importance to the study; their availability helped create a foundation for information. These were business and legal documents that portrayed clearly in numbers, figures, charts, tables and text the historical and present performance of the company. Obtaining these reports served the purpose of enabling the author to gain background information on the company's value and net worth. The contents of these reports helped her evaluate the company's characteristics of success as reported by official authorities.

(b) *Web Sites and Internet*

This category of documents demonstrates company “Know-How” evaluation in the international market. Data gathered through these sources supplies massive information about the company, its strategy, its development, its activity, its industry, its competition, its alliances and its international investment direction. Financial and business sites including FT, Forbes, Fortune, This Is Money, Business Week and Hem Scot were rich sources of data. Factiva is another type of Web site information that demonstrates the competitive views as well as regular facts about companies. The bloggers and freelancers who have certain views and concerns about the company were another accessible internet instrument.

Those resources assisted the author through her interpretation to identify and test themes for the sake of comprehensiveness and mutual exclusivity. Mindful of the possibility for misleading or inaccurate information on the web, the author exercised caution in judgement when making use of those sources.

(c) *Written and Audio/Visual Media Documents*

These were subjective sources of data. They were gathered through various other channels. Local, regional and global published newspapers and magazines articles and interviews were adequate resources for understanding personal features and characteristics of entrepreneurs. Television and radio talk shows presented interviews that added another avenue of information. Through watching and listening to the interviewee (entrepreneurial manager), the author learned more about his personal opinions in various aspects of life and business. Although these were appealing and useful sources of data, the author was cautious when using it to minimize bias.

(d) *Internal Documents and Archival Data*

The author reached provisional agreement with case companies’ CEOs to provide copies of the internal and archival data and documents. Those included the following comprehensive activities and programmes:

- Company's Annual Reports
- Financial statements
- Profits and loss Reports
- Weekly, bi-monthly and monthly Cash flow Reports
- Strategic Marketing reports "Whole Company"
- Strategic local Marketing Division Reports
- Strategic Regional Marketing Division Reports
- Strategic Global Marketing Division Reports
- Training Report "Whole Company"
- Training Local Marketing Report
- Training Regional Report
- Training Global Report
- Business Development Regional Report
- Business Development Global Report
- Company Risk Evaluation Report

The internal documents and archival data were instrumental in the research analysis and interpretation. This data highlighted the description and development of the different in-house programs and reports over the period of the past five years. They also furnished the author with the form, content and context of the firms' work.

4.4.2.7 Stage VII: Triangulation and Context Interviews

Triangulation was performed during both phases of data collection and data analysis. Thus, it was important to obtain reports, independent of the participants of the field study, regarding the broader research context.

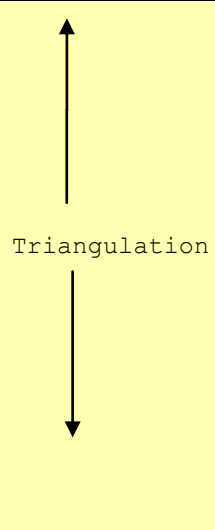
The Sources And Methods Of Data Collection Within The Case Study Strategy	Main Contribution Of Each Source To Final Understanding	Further Contributions Of Each Source To Final Understanding	
Pilot exploratory study	Contextual	Theoretical	
Documents (Archival data)	Contextual	Theoretical	
In-depth Interviews	Theoretical	Contextual	
Participant Observation	Contextual	Theoretical	
Interviews with financial evaluators	Confirmation of specific Contextual factors	Theoretical	

Table 4.3: Data Sources and Contribution to Understanding of the Phenomena
Source: Author

In addition to the field interviews, context interviews were conducted with relevant financial and international bodies and professionals who were directly associated with the firms in the field site (Kvale, 1996). This was intended to evaluate the field participant's perspective, to allow an outside view to assess the information and data collected by the author (Kirk and Miller 1986). The author has conducted context interviews with different professional figures over a period of two years. The interviews undertaken included: World Bank and United Nations officials, members of central and commercial banks in more than one country; and staff members of the financial services Moody's responsible for the MENA region. Those interviews were helpful during data analysis. The companies gave their permission for the use of these documents, which are not normally available to the public. The sources and methods of data collection within the case study strategy and their contribution to the research understanding are illustrated in Table 4.2.

4.4.3 Data Presentation

As described earlier, data/evidence gathering and the analysis were carried out simultaneously (Eisenhardt, 1989). Assembling the findings and analysis consisted of four simultaneous phases: findings gathering and presentation, within case analysis,

cross-case analysis and comparison of findings with existing theory, the discussion phase. Findings were presented in three different forms. The following sections will detail the different forms of data presentation.

4.4.3.1 The 108 Firms' General Characteristics

A descriptive statistics analysis of the constructed Data set is presented in the form of tables that represent the cross tabulation between the fourteen criterion set and the number of companies featured in this dataset, adhering to the factors given in Table 4.3. The tables include frequencies between numbers of companies (108) against, number of employees within each company; international markets they internationalised into; the number of companies within each business group; net worth of entrepreneurs; net worth of companies; entry modes; different industries; country of origins; international percentage of business performed by each company; average percentage of growth of each company within a period of three years; and lastly whether the shareholding structure of each company is totally privately owned or a family business or partially state owned. Though descriptive, these statistics are important at this stage of the research as it gives an overview of the characteristics of 108 the entire population of sample. (See Section 5.2),

4.4.3.2 Eighteen Case Companies' Profiles

A qualitative analysis of eighteen theoretically selected case companies is presented in a tabular form in section 5.3. The purpose of this qualitative examination is to reveal in-depth insights into the phenomena under study and to provide an indicative profile of the eighteen theoretically selected case companies which later allows the thematic analysis and discussion of those data as presented in ensuing Chapters Five and Six.

4.4.3.3 Entrepreneurial Narrative Approach

Adopting Jack, Dodd and Anderson's (2008) approach, and guided by the thematic within-case analysis (see Table 4.3); this study presents its findings in the form of narrative cases. In Chapter Five the findings are presented for each entrepreneur,

their entrepreneurial teams and their firms. The “story” of each entrepreneur is presented to help derive the profile of his particular company during the three-year period during observation. Following Eisenhardt (1989: 540), this approach allows the “unique patterns of each case to emerge before investigators push to generalize patterns across cases... it gives investigators a rich familiarity with each case which, in turn, accelerates cross-case comparison”. A simple definition of narrative approaches is: an analysis of the stories that people tell, (Riessman, 2004). “Narrative approaches and narrative methodologies are reflexive” Gartner, (2007: 614). In analysing other people's stories, researchers are looking into the mirror of their own stories of how and why research is conducted. Implied in this assessment is a sense that narrative approaches reflect tensions in “how things are currently done” in entrepreneurship scholarship. Gartner (2007) suggests that narrative perspectives in the study of entrepreneurship might also lead to the genesis of a science of the imagination.

Hosking and Hjorth (2004: 265) offer an elaborate description of what narrative approaches do. Story construction is a process of creating reality in which the storyteller is clearly part of the story. Gartner (2007: 615) offers this rather simplistic description of what narrative approaches do: they involve analysing the stories that people tell. This study starts from this base and produces through an entrepreneurial narrative approach the profiles of the case companies in this study, as presented in Chapter Five, (section 5.4).

4.4.4 Data Analysis

“The ultimate objective of analysis is to treat the evidence fairly, to produce compelling conclusions, and to rule out alternative interpretations.” (Yin, 1994: 103)

The nature of data analysis adopted in this study was closely related to the “pattern model” identified by Hamersley (1989), in which explanation is not separated from description. In other words, this study adopted a method that describes the relationship between one action and others in context, interpreting or explaining the meaning of such actions whilst describing their place and relationships to other parts

(Bryman and Burgess, 1994: 6) in the given context. The data analysis and data reduction stream is discussed in Stages VIII through X.

4.4.4.1 Stage VIII: Primary Data Coding

The case studies were analysed using both within-case and cross-case methods as recommended by Miles and Huberman (1994). Data coding involved content analysis of interview notes and secondary data with coding categories derived from published theoretical research pertaining to IE, SE and PE (Yin, 1993). A major objective was to minimize confirmatory evidence bias by the requirement of both source-by-source data triangulation (use of different sources of interview and archival data on each) and case-by-case data triangulation, where evidence was sought from more than one source (Silverman, 1993; Huberman and Miles, 2002).

The author sought the knowledge of other researchers with different personal, national, cultural and professional backgrounds, all with good grounding in the used conceptual frameworks. Guided by the elements derived from the literature and the research working conceptual framework (Figure 3.1), the author revisited the transcripts for the primary data coding. This re-visitation continued until few new insights occurred (Yin, 2009).

4.4.4.2 Stage IX: Data Analysis, Data Reduction and Data Recoding

Data analysis involved interpretation of the case data and the coding within the paradigms of understanding that, a-priori, appeared to have relevance. This identified aspect of the international business behaviour that both appeared to be adequately explained by the theoretical constructs, and aspects that were not. Areas of behaviour that were not well understood were collated and associated with other frameworks that appeared to have value. Codes were identified by the themes that were raised in the conceptual framework.

Case	Net Worth of Companies	
Entrepreneur	The value placed by the entrepreneur on Internationalisation. Also, his perceptions and attitudes regarding internationalisation risk, cost, profit, potential and complexity.	
Date	Start & Internationalisation: Age - Growth	
Sector	Which industrial sectors in which the case companies operate, diversify and grow internationally.	
Scope of Internationalisation	Extent of Internationalisation, which countries and regions firms internationalise to? Extent, Speed and scope	
Resources and Capabilities	Human Capital	Knowledge; work experience; education; skills
	Social Capital	Networking; business, government; education colleagues; family; friends
	Financial	Family; friends; business associates; personal employment; IPOs
	Entrepreneurial Orientation	Pro-active; innovative; risk-taking
Motivations	Environmental Factors: Limited domestic growth; Competitive Forces: Intensity of international competition; Institutional environments significantly influence IE	
Leadership	Leadership ability revealed in the case studies by the founders, lead entrepreneurs as they initiated their firms' internationalisation and growth processes. Leading and driving firms through entrepreneurial teams; strong leadership approaches where founders drove, encouraged, motivated and worked with entrepreneurial team members to initiate viable initiatives for the future of their companies.	
Entrepreneurial Team	Who are the entrepreneurs and manager team members of companies that internationalised successfully? The Entrepreneurial team members' capabilities are expressed in the form of their Backgrounds / Foreign work experience and their International/Global vision. Findings revealed that new ventures led by managers with foreign work experience and global vision were able to rapidly internationalise successfully.	

Table 4.4: Thematic Within Case Analysis
Source: Author

By following the procedures advocated by Yin (2003), in which an inductive coding phase follows a deductive coding phase, codes were added until a more complete explanation and understanding of the identified business behaviour patterns emerged. Data coding at this stage involved content analysis of interview transcripts and secondary data as in the previous stage, with the same checks and controls. Elements of the framework were retained, revised, removed or added, as field data provided empirical evidence (Yin, 2009). Eliminating data not relevant to the analysis at hand and extracting data that are relevant was the simplest form of data reduction, as explained by Miles and Huberman (1994: 11), “Data reduction is not something separate from analysis... (It) is a form of analysis that sharpens, sorts, focuses, discards, and organizes data in such a way that “final” conclusions can be drawn and verified”. As illustrated in Table 4.4, the within thematic case analysis was executed in keeping with the conceptual framework and the interview topic guide.

4.4.4.3 Stage X: Overall Analysis and Re-evaluation

A report on the analysis of each firm was fed back to the founders and other entrepreneurs to confirm that there had been no coder or analyst misinterpretation of the business behaviour observed. The overall assessment then involved comparison of the extent of explanation offered by the coding categories from different bodies of research. Equally important was the extent of overlap between the different research streams that provided evidence of combinatory or additive explanatory power. Although the author followed some grounded approaches, her aim was not the generation of grounded theory. This was possible when data revealed themes that allowed the researcher to add to conceptual framework. In spite of the specific and substantial research gaps in the literature, a solid body of relevant extant theory on international entrepreneurship exists. Using a “partially” grounded approach allowed this study to “undertake empirical research which is informed by prior theoretical understanding, but which is not so determined or “constrained by this understanding that the potential for making novel insights is foregone” (Jack, Dodd and Anderson, 2008: 137).

4.4.4.3.1 Cross Case Analysis

Within each case, a network of coded patterns started to emerge when all relevant patterns were integrated sequentially.

Processes	Discovery		Evaluation		Exploitation
Case	Who	What	Why	Where	How
Firm	Entrepreneur Founder Family Member Entrepr. Team member	Resources: Finance Knowledge, Networks Capabilities: Skills, Experiences Strategic Entrepr. Behaviour	Motivation Trigger Factors	Markets the firms penetrated and internationalised into	How did Entrepreneurs and Entrepreneurial Teams exploit these opportunities through entrepreneurial and management processes

Table 4.5: Cross Case Analysis Demonstrating Categories of Themes

Source: Author

Causal relationship in particular were highlighted and underpinned by additional findings in the literature. Table 4.5 presents the cross case analysis demonstrating the categories of themes. Cross case analysis was used to identify patterns of similarity and differences in the behaviour of companies (Eisenhardt, 1989; Gummesson, 1991; Miles and Huberman, 1994; Yin, 2009).

The cross case analysis method adopted from the "case survey method" utilized the conceptual framework and the topic guide. Table 4.6 presents how the cross case analysis by theme and by case study are analysed and discussed in the ensuing chapters 6 and 7. Convergence in the code list was the central criterion for stopping the process of coding and recoding. The outcome of this first step was a matrix of interrelated coded patterns of a particular case and at a later stage across cases.

Cases	Themes
Cases A, C and F	What Cases demonstrates about theme
Case B, Q, R, X...	What Cases demonstrates about theme

Table 4.6: Cross Case Thematic Analysis Describing the Theme

Source: Author

Through an on-going iterative process of cross-case comparison, within-case re-analysis and the confrontation with relevant literature, the author succeeded in constructing a complex pattern across all 18 cases. This process led to an intermediate model after seven cases and was validated and upgraded after the input of the patterns of the remaining cases.

Identification of key processes was achieved through pattern recognition of how entrepreneurs and entrepreneurial team members utilised and mobilised their resources and capabilities internationally as presented in Table 4.7.

The analysis was carried out simultaneously with data gathering; thus, it was also feasible to try out new ideas as and when they emerged (Bogdan and Biklen, 1982).

Process of...	How Do Entrepreneurs...
Discovery and	Identify International opportunities
Evaluate	Lead, drive and motivate team members
	International vision, anticipate and work with others to initiate change
Evaluate and	Utilise Tangible and Intangible Resources, Manage resources
Exploit	Mobilise international resources, Manage Capabilities
	Utilise Human (Knowledge) and Social Capital (Network)
Exploit and	Use Innovativeness and Pro-activeness during internationalisation process
Value creation	Rebuild and reconfigure Resources and Capabilities (Dynamic Capabilities)
	Manage through Entrepreneurial team members to sustain growth
	Diversify Internationally and Form Business Groups

Table 4.7: Processes

Source: Author

This method eventually led to the identification of key processes (Miles and Huberman, 1994: 33) within each case. To answer the *How* questions, Table 4.7

illustrates how these key processes are analysed and discussed in the ensuing chapters.

4.4.4.3.2 *Comparison of the Findings with Theory*

To answer the questions raised from the literature review, a fuller account of analysis using the lens of the different theories is presented. This is in line with Eisenhardt (1989: 544), Hartley (1994: 220) and Yin (1994: 103), who outlined the importance of comparing data to existing theory during the process of data analysis. Yin (1994: 103) suggests the preferred strategy is to compare data with the related theoretical propositions that led to the case study investigation. Consequently, the data was analysed by the conceptual framework, topic guide and reviewed literature on international, strategic and portfolio entrepreneurship. Table 4.8 presents cross case analysis describing the different processes and how they compare to the concepts derived from the existing literature.

Case Demonstrating Theme	Detailed Process	Description
Cases A, D, E and H...	Process 1	Which Cases demonstrates the theme and how do themes compare among the different cases, illustrations and examples are given to elucidate analysis and discussions
Cases B, C and I...	Process 2	etc.

Table 4.8: Cross Case Analysis Describing the Process
Source: Author

4.5 Research Limitation and Quality of the Findings

This is a theoretical, not randomly selected sample, since these firms are relatively few and the respondents needed to have personal trust in the researcher for the depth of access required. The decision to study across sectors and countries was taken in order to establish that these high growth and rapid internationalising companies were

a novel phenomenon. Whilst considerable depth of insights were achieved in individual companies, limitations on time spent within them, were inevitable.

The business culture of the MENA region is one of suspicion and lack of trust, which made it impossible to record the extended discussions with the data subjects, as this would have constrained or distorted the free-flowing and open discussion. This cultural factor limitation was in large part offset by the substantial attention given to multiple source data triangulation.

The following section describes the four main tests commonly used to establish the quality of the findings of any empirical social research, together with their purposes (Yin, 1994: 33) and limitations with respect to the adopted case study strategy in relation to each test. The study also illustrates the measures that were taken to counteract each limitation. The four main tests used to establish the quality of the findings in this research are: construct validity, internal validity, external validity and the reliability.

4.5.1 Construct Validity

This is the first type of test and the purpose of it is to establish correct operational measures for the concepts being studied. The limitations of the adopted strategy in relation to the test and the measures taken by the researcher to counteract the limitation are presented in Table 4.9

Limitations of the Adopted Research Strategy in Relation to Each Test	Measures Taken by the Researcher to Counteract Each Limitation
The case study investigator often fails to sufficiently develop a set of operational measures and "subjective judgements are used to collect data" (Yin, 1994:34)	Use of conceptual framework (for data gathering and analysis); Use of multiple evidence (interviews, key informants, filed notes and observation, within a natural ecologically valid setting (Yin 1994:92); Verification of findings by the respondents.

Table 4.9: Construct Validity
Source: Author

4.5.2 Internal Validity

The purpose of this test is to establish causal relationships, whereby certain conditions are shown to lead to other conditions.

Limitations of the Adopted Research Strategy in Relation to Each Test	Measures Taken by the Researcher to Counteract Each Limitation
Tendency of the investigator concluding incorrectly that there is a causal relationship	<p>Identification of most of the external factors (which affect the internationalisation process) before hand, and selecting a unique case study site of the MENA region</p> <p>Pattern matching among sub cases in the multiple embedded case study design (Yin, 2009)</p> <p>Use of qualitative data which is capable of explaining why or why not emergent relationships hold (Eisenhardt, 1989)</p> <p>Triangulation of different data sources Pope and May, 1995)</p> <p>Study of contrasting cases by means of adopted theoretical sampling (Gummeson, 1992) to increase the confidence in findings.</p> <p>Linking the findings to existing literature (Eisenhardt, 1989)</p>

Table 4.10: Internal Validity

Source: Author

The limitations of the adopted strategy in relation to the test and the measures taken by the researcher to counteract the limitation are presented in Table 4.10. Also another internal validity was concerned with N=1, so generalisation would not be possible due to difficulties in meeting objectivity (Stoecker, 1991). However, to counteract this limitation, this research adopted a well-constructed multiple embedded case study design (Hamel *et al.*, 1993). That is the selected “firm” was treated as a cluster of units of analysis (Eisenhardt 1989; Yin, 2009).

4.5.3 External validity

The purpose of this test is to establish the domain in which a study’s finding can be generated. The limitations of the adopted strategy in relation to the test and the measures taken by the researcher to counteract the limitation are presented in table 4.11 below:

Limitations of Research	Measures Taken by the Researcher to Counteract Each Limitation
Case study does not permit generalisation of findings to other settings (Berger, 1983; Hartley, 1994; Yin, 2009)	<p>Data is contextual and can only be given meaning in the context in which it is generated and used. (Hartley, 1994). In this context the study achieved a locally grounded causality by means of multiple case studies (Miles and Huberman, 1994) or "cross case generalisation" (Bonoma, 1985)</p> <p>Findings were also generalised to theory (i.e. analytical generalisation) as opposed to statistical generalisation, which generalises findings to a larger population (Miles and Huberman, 1994; Yin, 2009).</p> <p>Use of multiple-method triangulation (Hartley, 1994) that is adoption of different methods or gathering different kinds of data (Jick, 1979) in order to give the same explanation (Stoecker, 1991)</p> <p>Generalisation based on identification of patterned behaviour (Johnson, 1990).</p>

Table 4.11: External Validity

Source: Author

4.5.4 Reliability

The purpose of this test is to demonstrate that the operations of a study, such as data collection procedures, can be repeated with the same result. Potential problems of reliability were overcome by documenting operational steps so that another researcher in similar situation would produce more or less similar results.

4.6 Ethical Issues Concerning Data Collection

This study received ethical approval by the author's academic department (the University of Edinburgh Business School), and data collection was conducted in compliance with the ethical guidelines adopted by the Association of Social Anthropologists of the UK and Commonwealth (ASA, 1999). The study was self-funded, thus no pressure or conflicts of interests were introduced by funding bodies. Participants' agreement to participate in the study was secured verbally, as "signing an informed consent form... may be considered impolite" (Punnett and Shenkar, 1996).

The data collected in the course of this study will be held securely on a password-protected computer for three years following the award of the PhD InshAllah to allow publication time. Thereafter, it will be destroyed in accordance with normal academic conventions.

There was a greater imperative ethical obligation on the researcher to be discrete and sensitive given that she was interviewing former close associates and friends. Such difficulties did not arise given the positive feedback from interviewees on reading the researcher's accounts of their interviews. Since the data was collected, the political environments in some of the countries of the research have become more unstable, thereby intensifying the need for careful management of the data and protecting the identities of the informants.

4.7 Summary

In conclusion, the research methods, philosophy, approach and techniques are summed up in Table 4.12.

Paradigm	Interpretivist
Approach	Qualitative Subjective Abductive
Research Design	Case studies of MENA region international high growth entrepreneurial firms
Data Collection	Multiple sources of evidence provide data triangulation: Interviews with CEOs/Founders/Entrepreneurs Interviews with Entrepreneurial team members Interviews with financial experts. Company financial figures. Companies' records, archival data and expertise. Public sources of information; newspapers, WEB sites.
Analysis	Within-case and cross-case analysis. Data categorised into variables. Content analysis to identify themes, trends and patterns

Table 4.12: Summary of Research Methods

Source: Author

It presents a comprehensive distillation of the concepts discussed in this chapter. This study takes an interpretivist stance that recognised that reality is socially constructed, rather than objectively determined, and appreciates the different constructions and meanings that people place on their experience (Easterby-Smith *et al.*, 1991). The research used a qualitative approach based on extended, multiple case studies of internationalising firms. The firms selected were from the emerging market of the MENA region. The background to the research and the MENA region was given. Data collection involved in-depth interviews with the entrepreneurs/founders/CEOs of internationalising firms over three years and other key informants in several firms. Other sources of data enhanced the validity of the research through corroboration.. Access to archival data and expertise within the emerging market of the MENA region and other secondary information provided triangulation of the data..

The data analysis involved within-case and cross-case techniques, guided by a theoretical framework. The data was categorised into variables and content analysis was performed to identify themes, trends and patterns. These methods supported the abductive approach adopted in this research.

The next chapter, Chapter Five, displays the findings in different data presentation forms including the “story” of each entrepreneur, their entrepreneurial teams and their firms in the extended study. Chapter Five is preceded by a section of profiles of the participating case companies.

Case Companies – Profiles

Detailed below are the profiles of the pilot and eighteen case companies examined in this thesis.

Case Company A: Pilot Study

Mr A was educated in a German school and Swiss university, before returning to his family's construction business in his home country, Egypt, as a qualified and experienced engineer. Keen to establish a new business that used his technical knowledge, he started supplying telephone systems and networks for businesses and hotels. From the start-up of his business, Mr A was on the hunt for new opportunities. A new opportunity arose when the Egyptian government opened bids for a license to provide mobile telephony throughout Egypt. Mr A was determined to win; his response proactive, predicated on his own technical competence and the competence of his senior team. To win the license through competitive bidding and in the face of competition from experienced European operators, Mr A relied on technical innovation. To meet the complex geographical challenges of the tender, he used his good knowledge of Egypt's politics and commercial circles to create competitive advantage for his company. Combined with his family's business networks he started a company with the necessary technological and infrastructure skills.

When he became interested in internationalising his business ventures, his father declined to support him. To raise the needed capital, he resorted to his circle of friends. His determination and ingenuity helped him overcome many challenges at home and abroad. As a result, his financial capital accumulated briskly and his international operations expanded rapidly, placing his firm as one of the largest MNEs in the world. Mr A made his initial public offering through the Cairo, New York and London Stock Exchanges.

Case Company B

Company B was established in Jordan in 1978 on the back of its founder's experience as a pharmacist and chemical engineer in the States. It manufactured patented pharmaceutical products under licence from large American FDA approved multinationals that were FDA approved. An opportunity then arose to purchase an FDA compliant company in the States. After entering the US market through its first acquisition in 1992, it exported to Eastern Europe and developed a Greenfield factory site in Portugal. This mainly focused on the manufacturing injectable pharmaceutical products for both the MENA region and the EU, taking advantage of investment incentives, low costs, and new pan European legislation.

The company began a large commercial scale production in liquid injectables in 2003, was listed on the London stock exchange in 2005. It expanded both organically and through acquisitions to become by 2008 one of the largest pharmaceutical MNEs developing, manufacturing and marketing a broad range of generic and "under licence" pharmaceuticals.

Based on market analysis that showed the need for low cost medicines for poorer people in different countries, the company became the lowest cost manufacturer in the Middle East and later on the only FDA approved manufacturer in the Arab world. Once its market position was consolidated in the MENA region, the company invested in R and D development of complex products such as injectables and some high margin, innovative niche products in the States.

Case Company C

Case Company C specialising in manufacturing and trading of integrated cables was established in 1984. In 1990, the two sons in this company had become the lead manufacturer and trader in the cables industry in Egypt and some neighbouring Arab countries. Their educational background in business decided them to recruit an

engineering team to diversify into innovative cable products based on laser technologies.

By 1998, 60% of its production was exported to international markets and twenty-three green field productions and manufacturing facilities had been established in twelve different countries. By 2005, 80% of its production catered for international markets by February 2006, it was selling abroad to 110 different countries around the world. Additionally, there was diversification into cement production as well as becoming partners in the first wind turbine power station in Egypt.

Case Company D

Case Company D was a small, local contracting business founded in the 1950s in Egypt that relocated to Libya during Nasser's nationalisation programme. Returning to Egypt in the late 1970s, it continued to operate as a local family construction company until the youngest son, educated in Germany and the US, took over management of the family business in 1995. He embarked upon an ambitious diversification strategy through investments in complementary businesses such as cement and building materials. The acquisition in 1998 of Contrak International, a US contracting based company that enabled access to US government projects and finance, was key to his subsequent exponential growth. A Public Offering of Shares on the Cairo and Alexandria Stock Exchange raised capital to finance his first cement subsidiary and acquisition of the Egyptian Cement Company, followed by a spate of international cement companies' acquisition around the world. This included being awarded the contract to build the world's tallest building "Burj Dubai", earning Company D's management team the reputation of a trusted and highly capably contractors the world over. In an astonishing strategic gamble, this youngest son then divested 100% of his cement company to Lafarge (the largest cement producer in the world) for \$13 billion and then negotiated an 11.4% stake in Lafarge's together with a seat on their board of directors. With the capital gain he then diversified into a new business opportunity in fertilizer production.

Case Company E

Going against all family and expert advice the middle son of a local family business E pursued a business opportunity to build the very first Red Sea resort and tourist development in the desert. In 1992, this seemingly unlikely location developed into the company's flagship project and by 1995 had evolved into a fully independent town with a strong infrastructure, residential population, and established reputation as a preferred international tourist destination. From this beginning his real estate portfolio expanded to comprise the ownership of international hotels such as Hyatt, Movenpeck, Sheraton, Steigenberger, Marriot, Club Med, and InterContinental. In addition to this international hotel expansion across three continents he established what became the largest beverage company in the MENA region, selling it only to acquire a lucrative 51% stake in both an international travel agency and one owning seven Nile cruises, a fleet of buses and three five-star hotels in Egypt. The establishment of a one-stop solution shop offering development advice and capabilities to land owners, in return for a substantial stake in the proceeds of the developed real estate sales, enabled him to obtain one of Egypt's first mortgage licences and by 2006, he was able to offer long term real estate financing solutions to international as well as Egyptian investors.

Case Company F

Case Company F was established in January 2005 as a "born global". The founder worked with the royal family of Dubai raising money through institutions and immediately acquired the international terminal business of CSX Corporation with marine operations across the world. By March 2005, Case Company F signed a thirty-year concession to develop and operate the container terminal in the UAE; to manage the port contract in Abu Dhabi; and to develop its logistics businesses in China and Hong Kong. Its biggest and most strategic acquisition took place in March 2006 when it acquired P&O ports and marine services business worldwide.

In spite of starting operations in 2005, Case Company F became a world conglomerate marine and port operator in a very short period of time due to its international expansion approach and its strategic entrepreneurship scheme. Entrepreneurial teams' shared leadership facilitated the management and operation of the different companies constituting Case Company F's business group. These entrepreneurial teams manifested a high competitive advantage for Case Company F as they networked both internally and externally to lead DP World to an advanced market position.

Case Company G

With a modest start-up capital in September 1964, Company G was based on small auto-parts but grew into a large local player by 1980 with a wide number of diverse consumers. In addition to its automobile spare parts dealership, it expanded into real estate as well as other commercial and industrial projects. By 1998 the umbrella company operated twenty successful companies and had diversified into the construction and ownership of a number of high-rise towers and tourism investment companies. Further diversification into the areas of construction, transportation, excavation, education, entertainment activities and information technology services resulted in company becoming the largest Qatari business group by 2004.

The successful and continued expansion of this business was derived not only from financial capital but also from high calibre human capital. The founder believed that his highly-educated, professional and technically experienced entrepreneurial team were instrumental to the success of the company, and ensured great autonomy and flexibility in decision-making process in the company's independence from the mother company.

Case Company H

In 1999, a young Egyptian engineer established Case Company H. in Qatar as an engineering, design and master-planning firm. The founder diversified its industrial sectors to include oil and gas and grew the company into an international business group of construction and foundation engineering firms in 2002. It has since positioned itself as a major lead engineering establishment in the MENA region through business engagements differed in diverse sectors of investments: construction and real estate in Egypt; information technology in Dubai; and agriculture and cattle in the Sudan.

Case Company I

Under threat of imprisonment in Egypt following changes in financial regulations in 2003, the founder exchanged his successful engineering business there, for a modest opportunity in Qatar from which he was able to establish a new business in “one-shop” advance engineering services, followed by diversification into water and waste water services in several Arab countries. By 2007, he had expanded into innovative desalination plants and became the region’s largest supplier of commercial and industrial equipment with a turnover of \$1.1 billion.

Case Company J

The Nubian founder of Case Company J. set up his initial consulting company in mobile telephony in 1989, following a career in academia. He was headhunted by a large international communications company to lead its infant offshoot company in this area. This company’s failure to grasp the potential of the new technology led him to resign and set up his own consultancy. From this small beginning the founder grew the company into an operator business group with seventeen international subsidiaries and 800 employees; it was valued at \$916 in 2000 when it was bought

over by Marconi's. His subsequent mobile telephony initiative in Africa, considered a hostile environment by all other international operators, was characterised by robust controls on gratuities (bribes) and employee share-ownership, of which he was very proud. At the point of sale to a South African conglomerate, the company was worth \$3 billion and his African staff shared \$500 million between them as shareholders. The founder then retired now divides his time between his various charitable causes led by his Foundation that promotes transparent leadership within Africa as well as providing funding for the education of African students world over.

Case Company K

Starting as a local dealer for automobile spare parts in Alexandria in 1975, company K became a conglomerate of sixty-four different companies in the areas of car industry, retail, services, distribution, and real estate. The overseas education in different countries of the founder's children and international relationships thereby gained, changed the fate of a local business into a fast growing international entity. Each of these four children extended his father's business in a different direction: one set up the importation of US vehicles, ultimately as sole distributor in the Middle East and N. Africa and a dealership with Caterpillar machines which opened up the rest of Africa, some of Eastern Europe and the UK; another established relationships with a French conglomerate retailer to set up outlets in major Egyptian cities, becoming the largest dairy and food products retailer in the country; another teamed up with UPS to establish a new kind of courier service and two media companies to cover promotions, multinational public relation agencies as well as media networks with subsidiaries in the Gulf and Europe; and the last of the brothers established a software development company specialising in archiving, knowledge management and work flow software which provides integrated solution catering to the financial and telecom sectors.

Other businesses under this group now include: Man-foods who are the sole operator of McDonalds labour intensive fast food chain; Man-Capital LLM which provides

capital and strategic support to companies with attractive growth perspectives; and Palm Hills which is one of the largest real estate developers in the MENA region.

Case Company L

The head of this Kuwaiti family conglomerate operating in more than thirty countries in the world, now has a net worth of US \$14 billion with 120,000 employees, and is considered to be the 48th richest man in the world (2008). The head of the family started his local construction company in 1965 and was joined by his American educated son in 1995, who diversified the company internationally through manufacturing and commerce activities. The company now compasses diverse activities including construction, trading, retail, fast food chain franchises, hotels, and tourism and real estate development with investment business in the national bank of Kuwait, a mobile telecommunication company and a financial securities investment company.

The company's international business activities also comprised the construction of essential infrastructure in Albania, including airports, roads, power plant stations and waste water projects and the revival of a South African chain of hotels and resorts (Sunrise) through a much needed injection of capital as well as managerial expertise which later created other tourist opportunities by expanding its operations.

Case Company M

Four brothers who were educated in the US returned to Egypt and developed, expanded and diversified their father's local business of eye surgery practice. One brother built on his father's professional career by building eye hospitals in neighbouring Arab and some African countries but also started a new business in optics and optical accessories, becoming one of the largest optic in the MENA region with a very large international export base.

Another son who prior to becoming minister of construction in 2004, started a tourism and hotel management career, managed to acquire a majority stake in the international Sofitel Hotel Group and then developed twenty-four hotel and resorts spread over the Middle East. This expertise led to investment and development in related business opportunities in furniture manufacture and landscaping.

Following a government decree that gave automatic ownership to anyone cultivating a piece of land in the desert, the third son pioneered, against all advice, the innovative concept in Egypt of agro-clean food production. He not only managed to produce clean (no fertiliser and pesticides) vegetables and fruits but also achieved “A-grade” export quality produce for the major supermarkets in the EU. The fourth son shared his brothers’ international businesses and added a new line in real estate development in different European, African and Arab countries.

Case Company N

Company N first established itself as a new kind of retail and leisure experience in the MENA region in 1992, recognising consumers wanted more than just to shop, but a place to meet and be entertained with family and friends. Today, the company is recognised as the leading leisure pioneer across the MENA region, famous for bringing the snow skiing slopes to the desert country. The company has extended these mega leisure malls throughout the MENA region with over 108 million customers a year but continues to expand and internationalise through joint ventures with other world class hyper-market groups, such as Carrefour. Its portfolio of companies has increased revenues by 32% in three consecutive years since 2005 and gave the group’s EBITA an unprecedented 52%.

Case Company O

The Group O has evolved considerably over the last forty years from a father and son pearl diving business to one of the most dynamic and successful business groups of the MENA region. Initially, with support from the ruling family intent on promoting the UAE's economy, it diversified into cement, flour, and aluminium and sugar production. The Group now operates eight strategic business units that are part of three main lines of businesses with expertise in retail, industry and manufacturing. This comprises real estate and shopping malls, including the "Burjuman" Mall, the state of the art fashion destination in the Middle East; manufacturing ventures based on packaging solutions for storage and shipping and metals including the largest aluminium extrusion facility in the region and investments

Case Company P

Set up in 1983, Case Company P has made many numerous upswings in the field of ceramics, porcelain and sanitary ware industry so that it has become a leading force within the field of porcelain tile, exporter to over 100 countries and one of the greatest private sector concerns in the Middle East. Diversification has been the basic characteristic of Case Company P. Group since 1987 working in the five different sectors of industrial, agricultural, technological, tourism and investment sectors. With the introduction of smart cards Case Company P Group established the first smart card facility in the whole Arab region whilst continuing to develop tourism with a number of projects in a number of resorts such as Sharm El Shiekh. Another year of outstanding growth in 1998 saw the group awarded the rights to undertake the development of an industrial park in Zone 2 of the Suez Special Economic zone "SSEZ". Unusually in the MEAN region the youngest sister in the family has developed a specialist, exclusive company, Ceramic Fancy.

In 2000, the founder was elected member of the Egyptian People's Assembly and has held a wide range of political and economic positions such as the head of the

International Committee on Solving the Landmines Problem, Chairman of the Board of the Egyptian-European Council.

Case Company Q

The founder of Case Company Q who is Ethiopian and Yemeni by birth but now a Saudi citizen, is Forbes ranked in 2009 as the 43rd richest person in the world at a net worth of \$9 billion. He made his fortune in construction and real estate before branching out to buy oil refineries in Sweden and Morocco. He owns a broad portfolio of businesses not only in oil but also in mining, agriculture, hotels, hospitals, finance, operations and maintenance. He owns and manages two conglomerate holding and operating companies that employ over 40,000 people.

The founder is very committed to Ethiopia, especially to job creation and infrastructure capacity building, and is well known as a philanthropist builds health care facilities, funding child health and poverty programmes, overseas scholarship programmes, supporting the arts and football. The World Bank and the US State Department have given him an award him for his development work in Africa, the first given to a private sector representative.

Case Company R

The eldest son of the family owned Case Company R, a local importer and distributor of steel products, decided to add a new line of business in ceramic production that became a market leader in the bathroom and accessories. Within a few years and returning to the family's original line of business (steel), he developed local production of steel bars that made him the first private local producer.

After three years of building a share in the local market, the company went public in 1999 in order to raise capital for a more strategic position as a major shareholder in a newly acquired steel company. He then merged this with his own company to form a

new conglomerate becoming the most comprehensive steel producer of Egypt by 2000. This enabled the conglomerate to begin aggressive exporting to Europe, now 55% of its production, as well as to the MENA region (28%). The entrepreneur joined the ruling party's executive committee in 2004, opening up the possibility of business advantage from political networking and connections.

Case Company X (An Unsuccessful Case)

This case is about an entrepreneur who inherited the family business of production and trading in medical equipment. He grew the business and transformed it into a turnkey hospital development projects; as he built a large number of hospitals in Egypt diversified internationally to resume health and medical services in the Arab world. However, when he decided to internationalise to Europe he went to France. His decision was to invest into buying one of the daily journals and daily newspapers in France, *Le Monde*. The international business experience was not successful. Then he went to the UK and he decided to diversify and started another business in leisure and food services, yet another unsuccessful international experience. In his interview, his explanation of these failed international experiences was given as a result of networking with the wrong people and never utilising his knowledge and sources of knowing about different international markets; even though he had dual nationality, Egyptian and French. He explained that he should have mobilised his social capital and acquired more information through networking to learn more about the French market. He claims that he should have known not to internationalise to France because usually it is not an easy market to penetrate as a foreigner, and especially in the newspaper investment business. This case will be analysed further, later on.

Chapter Five: Data Presentation

5.1 Introduction

The purpose of this chapter is to familiarise the reader with the detailed findings and to orchestrate the answer to the first set of research questions as analysed and discussed in Chapter Six:

- Who: the entrepreneurs and the entrepreneurial teams;
- What: the resources and capabilities;
- Where: Extent, speed and scope of Internationalisation;
- Why: Motivations, triggers and environmental factors

In addition, this chapter provides the preliminary grounding to the second set of questions of the “*How*” entrepreneurial and managerial processes are performed during the growth and internationalisation of the selected case firms from the MENA region, which is analysed and discussed in Chapter Seven. This chapter is in three parts:

- First, it describes the characteristics of high growth and rapid internationalising firms (HGRI) in the MENA region by analysing the information commonly accepted as relevant indicators; as listed in the database in Appendix B. Though descriptive, this stage is valuable since little is known about the characteristics of these rapidly internationalising firms.
- The second section of the chapter displays the data presentations of the profiles of the selected samples of the eighteen case studies in three tables. Table 5.1 presents a synopsis of the background profiles of entrepreneurs. Table 5.2 presents the different resources (Human, social and financial capitals) accessible to the lead entrepreneurs prior to and during the internationalisation process. Table 5.3 presents a summation of

the eighteen Case Company Characteristics. It includes the main industry that the companies operate in, the companies' net worth in billions of dollars, their internationalisation profiles, the number of employees in each company and number of companies in the individual business groups.

- The third section of this chapter is guided by the conceptual framework of the study (see Figure 4.1) and adopts Jack, Dodd and Anderson's (2008) approach of entrepreneurial narratives. It presents the findings of the companies sampled in the form of narrative cases, adhering to the thematic framework within the case analysis (see Table 4.3). The "story" of each entrepreneur and his company is presented to help profile their growth and internationalisation.

5.2 Statistical Patterns of HGRI MENA Firms

The challenges of compiling a database of HGRI MENA firms were discussed in Section 4.4.2.3 (Data Collection, Stage III: Constructing a Data set For MENA firms). The data set, presented in Appendix B, includes comprehensive information on the 108 companies that constitute the total population of the HGRI MENA firms identified. This section presents descriptive statistics profiling the basic characteristics of the identified firms, of which there is no information available in the literature. The study employed SPSS to generate frequencies for the 108 companies (total number of population universe) for each criterion listed in Table 5.2. Frequency distributions are presented below as follows: Country of origin of multinational company to show the distribution by MENA country. The number of companies in business groups and the number of employees above 1000 is to show the size and breadth of the MENA firms. The MENA firms' sector of industry into which they internationalised, is analysed to reveal the most prevailing sector. The MENA firms' international markets into which they internationalised is analysed to reveal the scope and the choice of these markets (where do firms internationalise?). The high percentage of sales generated through international business and the high

growth rates in the last $\frac{3}{4}$ years due to the internationalisation process (study ends 2008) are demonstrated. The entry modes adopted by the MENA firms as they internationalise. The shareholding structure of the firms is analysed to show whether the firm is a listed public company or privately owned or partially state owned or family business. Companies' and entrepreneurs' net worth are expressed in billions of dollars figures. Most of these entrepreneurs and families are members of The World's Billionaires list.

5.2.1 Country of Origin

Table 5.1 indicates that Egypt and Saudi Arabia are the two countries that have the highest number of companies in the sample universe (108) that exhibit the characteristic of HGRI firms. This could be due to the economic reform and privatisation laws that started early in these two countries. Another reason might be high population numbers especially in the case of Egypt. Notable also is the UAE that, despite its small geographical area, has almost as many HGRI firms as Egypt and Saudi Arabia. This could be also explained by the flexible investment laws and the tax incentives provided by UAE

Country of Origin	Number of Companies	Percentage
Egypt	26	24%
Saudi Arabia	24	22%
UAE	20	19%
Lebanon	10	9%
Kuwait	7	6%
Qatar	6	6%
Oman	4	4%
Morocco	4	4%
Bahrain	4	4%
Jordan	1	1%
Yemen	1	1%
Sudan	1	1%
Total	108	100%

Table 5.1: Country of Origin

Source: Author

Countries such as Sudan, Yemen and Jordan, on the other hand, each have only one company that exhibits the characteristics of HGRI firms. This could be explained by a number of reasons: their low population rate or low number of people with entrepreneurial characteristics or the fact that their respective governments do not encourage privatisation policies through adequate governmental rules and regulations. The qualitative in-depth analysis will shed more light on this issue in the subsequent sections.

5.2.3 Shareholder Distribution of HGRI MENA Firms

Table 5.2 shows that the majority of the 108 companies in the sample universe are listed companies in stock markets. Yet, their shareholding structure – especially when they started – was dominated notably by family businesses. The few companies with ownership shares started as private companies; but when they went public, governments bought shares to boost investment programs due to their strong profitability.

Shareholder Structure Distribution of MENA HGRI	Number (Yes)	% (Yes)		Number (No)	% (No)	% TOTAL
Privately Owned listed in Stock Exchange	108	100.0		0	0.0	100.0
Partially State Owned	33	30.6		75	69.4	100.0
Greenfield Investment	66	61.1		42	38.9	100.0

Table 5.2: Shareholder Structure Distribution of HGRI MENA Firms

Source: Author

5.2.3 Industrial Sectors

Findings from Table 5.3 indicate that most of the universe sample's industrial sectors were highly diversified. However, sizeable portions were in finance and banking services comprising the highest sector in which twenty-seven out of a 108 companies operated. Construction services follow as the second highest industrial sector in

which firms operate. Fourteen out of 108 companies deal in the telecommunication services sector. Telecommunication is the third largest sector with ten out of the 108 operating in this sector. However, it is worth noting that companies were operating in more than one industrial sector and this ranged from finance to poultry farming.

Industrial Sectors that MENA HGRI Firms operated in	Number (Yes)	% (Yes)		Number (No)	% (No)	% TOTAL
Diversified	84	77.8		16	22.2	100.0
Construction	28	26		80	74	100.0
Telecommunications & Internet Services	14	13		94	87	100.0
Finance and banking	18	16.7		90	83.3	100.0
Petrochemicals	9	8.3		99	91.7	100.0
Real Estate & Town Development	16	14.8		92	85.2	100.0
Steel Production	12	11.2		96	88.8	100.0
Cement Production	14	13		94	87	100.0
Cable Production	8	7.4		100	92.6	100.0
Education	10	9.2		98	90.8	100.0
Food Industries	9	8.3		99	91.7	100.0
Agricultural and Farming	7	6.5		101	93.5	100.0
Pharmaceutical	4	3.7		104	96.3	100.0
Marine Operations	4	3.7		104	96.3	100.0
Tourism	8	7.4		100	92.6	100.0
Retail & Shopping Malls	5	4.6		103	95.4	100.0
Electronic Systems Production	6	5.6		102	94.4	100.0
Oil & Gas	12	11.2		96	88.8	100.0
Aviation	3	2.8		105	97.2	100.0
Total number of companies is 108.						
Note that companies internationalised to more than one sector of industry						

Table 5.3: Industrial Sector of MENA HGRI Operation
Source: Author

The reason for such high industry diversification could be explained by the product and service innovation being introduced in new international markets. Qualitative analysis of the selected sample will explain this characteristic further in the following

chapter. It is noteworthy that case companies internationalised to more than one sector of industry. So, even if a company's original industrial sector was in construction for example, but an opportunity presents itself in another business area; usually the HGRI firm explore and exploit this opportunity. This behaviour led to what have observed in the large number of companies with highly diversified industrial and service sectors activities.

5.2.4 Net Worth of Entrepreneur (\$US Billions)

Interestingly, the findings presented in Table 5.4 shows that the majority of the entrepreneurs fall between a net worth of \$6 to \$6.9 billion followed by \$4 to \$4.9 billion, whilst \$15 to \$21 billion represents the smallest segment of the table. It is noteworthy that the high net worth was accomplished in relatively short period of time. The in depth qualitative investigation of the entrepreneurs would help in understanding the clarification of how they achieved that high growth in relatively shorter periods.

Range of Net worth in US\$ Billion	Number of Entrepreneurs	Percentage
1 - 1.9 \$US Billions	23	21.3
2 - 2.9 \$US Billions	17	15.7
3 - 3.9 \$US Billions	9	8.3
4 - 4.9 \$US Billions	6	5.6
5 - 5.9 \$US Billions	8	7.4
6 - 6.9 \$US Billions	28	25.9
8 - 8.9 \$US Billions	7	6.5
9 - 9.9 \$US Billions	1	0.9
11 - 11.9 \$US Billions	3	2.8
12 - 12.9 \$US Billions	3	2.8
14 - 14.9 \$US Billions	2	1.9
21 \$US Billions	1	0.9
Total	108	100.0

Table 5.4: Net Worth of Entrepreneurs (\$US Billions)

Source: Author

5.2.4 Net Worth of Companies (\$US Billions)

Figure 5.5 reveal that the largest segment of net worth of companies falls in the \$3 to \$3.9 billion category. The second largest category of company net worth falls between \$4 and \$4.9 billion. Again this has been achieved over a relatively short period of growth as the analysis of balance sheets of most these firms reveal the high growth process to take place once they undergo rapid internationalisation. There are also few companies in the 6 - 6.9 \$US Billions net worth range that have only started internationalising six and eight years ago respectively. The in depth qualitative case analysis will shed more light on the behaviour of these companies and how they managed to achieve such high growth due to their internationalisation activities.

Range of Net worth in US\$ Billion	Number of Companies	Percentage
1 - 1.9 \$US Billions	8	7%
2 - 2.9 \$US Billions	6	6%
3 - 3.9 \$US Billions	34	31%
4 - 4.9 \$US Billions	27	25%
5 - 5.9 \$US Billions	7	6%
6 - 6.9 \$US Billions	2	2%
7 - 7.9 \$US Billions	3	3%
8 - 8.9 \$US Billions	7	6%
13-15 \$US Billions	12	11%
25-27 \$US Billions	2	2%
Total	108	100

Table 5.5: Net Worth of Companies (\$US Billions)

Source: Author

5.2.6 Number of Companies in Business Groups

Table 5.6 illustrates that all 108 companies within the dataset are business groups, as they all have at least four companies within their business group.

The largest business group has forty-five companies, while the largest proportion of HGRI MENA firms has six companies in business groups. The existence of these business groups is due to the international diversification of the 108 companies within the dataset. The formation of business group is continuous process that enables the HGRI MENA firms to manage its new internationally diversified new business in foreign markets. The management of these business groups is possible

through the skills and capabilities of the entrepreneurial team members as clearly exhibited in the in depth qualitative investigation. This confirms the existence of the phenomena of high growth and rapid internationalisation of firms from the MENA region.

Companies in each Business Group of MENA HGRI Firms	Number of Companies	Percentage
3 Companies in Business Group	12	11%
4 Companies in Business Group	17	16%
5 Companies in Business Group	7	6%
6 Companies in Business Group	22	20%
7 Companies in Business Group	6	6%
8 Companies in Business Group	15	14%
12 Companies in Business Group	10	9%
14 Companies in Business Group	7	6%
16 Companies in Business Group	4	4%
22 Companies in Business Group	2	2%
24 Companies in Business Group	2	2%
25 Companies in Business Group	2	2%
30 Companies in Business Group	1	1%
45 Companies in Business Group	1	1%
Total	108	100%

Table 5.6: Number of Companies in Business Group
Source: Author

5.2.6 Number of Employees in Companies

Findings in the graph below (Table 5.7) show that eight companies out of the 108 companies have 40,000 to 100,000 employees. This represents the largest number of employees, thus confirming the multinational enterprise characteristic. The second highest category of employees employed by a company was 20,000 to 32,000, wherein ten companies out of the 108 showed this statistic. Even the lowest number of employees employed by firms in this dataset was 1200 employees which were exhibited by two companies and further confirms the MNE status of the firms which in turn confirms the high growth and rapid internationalisation of firms within this dataset.

Number of employees	Number of Companies	Percentage
1200 -1900 Employees	3	3%
2000 -2900 Employees	5	5%
3000 -3900 Employees	6	6%
4000 -4900 Employees	9	8%
5000 -5900 Employees	12	11%
6000 -6900 Employees	14	13%
7000 -7900 Employees	6	6%
8000 -8900 Employees	21	19%
10000 -18000 Employees	8	7%
20000 -35000 Employees	16	15%
40000 - 1000000 Employees	8	7%
Total	108	100

Table 5.7: Number of employees in Companies
Source: Author

5.2.7 Average Percentage Growth in Three Years

Table 5.8 shows that the average percentage of growth of 108 case companies from the dataset indicates a high growth pattern amongst all the HGRI MENA firms.

Average Percentage of Growth of MENA HGRI Firms	Number of Companies	Percentage
1 % - 99%	3	3%
100% - 199%	8	7%
200% - 299%	34	31%
300% - 399%	24	22%
400% - 499%	26	24%
500% - 599%	2	2%
600% - 699%	6	6%
700% - 799%	3	3%
800% - 899%	2	2%
Total	100	100%

Table 5.8: Average Percentage of Growth
Source: Author

The highest average percentage of growth as shown in Table 5.8 falls in the 200% to 299% category. The second highest category is the 400% to 499%. It is worthy to note that some firms show growth of more than a 700% to 799%, which is a phenomenal rate of growth experienced by these firms from the emerging markets of

the MENA region that internationalised. Gartner (2005) describes firms with 150% growth as experiencing “extraordinary” growth. Thus, these results confirm the phenomena of high growth and rapid internationalisation of firms within the emerging markets of the MENA region.

5.2.8 International Percentage of Business

The results for the international percentage of business as shown in Figure 5.9 indicate the relatively high percentage of the international operations of the 108 case companies sampled in the dataset. The highest percentage of international business falls in the 60% to 69% category. This suggests that a large number of the case companies within the dataset, have more than 60% of their business operations conducted internationally. The second largest number of case companies conducting business operations internationally falls in the 70% to 79% category. It is worth noting that more than half of the case companies shown in Figure 5.8 indicate that their international business operations form a major component of their business activities, that is, above 50%. Thus, these results help to further support the existence of the phenomena of high growth and rapidly internationalising firms from the MENA region.

Foreign Sales as % Total	Number of Companies	Percentage
100%	4	4%
80% - 89%	6	6%
70% - 79%	21	19%
60% - 69%	49	45%
50% - 59%	18	17%
40% - 49%	8	7%
30% - 39%	2	2%
Total	108	100%

Table 5.9: International Percentage of Business
Source: Author

5.2.9 Entry Mode

The analysis of 108 companies reveals that the three modes of entry, namely Joint Venture (JV), Foreign Direct Investment (FDI) and Greenfield Investments (G) are all being employed by the different companies depending on where and how they internationalise. Furthermore, the data graphs reveal that all three modes of entry are almost equally employed. Some host countries do not allow FDI to take place in their territories without having a local partner, thus the JV is the only option of mode of entry open to international entrepreneurial firms.

Entry Mode of MENA HGRI Firms	Number (Yes)	% (Yes)		Number (No)	% (No)	% TOTAL
Joint ventures and Consortiums?	84	77.8		24	22.2	100.0
Foreign Direct Investment	49	45.3		59	54.7	100.0
Greenfield Investment	33	30.6		75	69.4	100.0
Total Number of Companies 108, note that some companies internationalised under more than one form of entry mode						

Table 5.10: Entry Mode of MENA HGRI Firms

Source: Author

5.2.10 International Markets

The results revealed as presented in Table 5.11 (International markets) indicate the different markets into which the firms from the emerging market of the MENA region internationalise.

It is worth noting that the largest area into which firms internationalise is the MENA region, followed by African Countries. The European Union countries including UK, Germany, France, Switzerland and Italy follow after the hostile markets of MENA and Africa. This supports the evidence of the existence of a pattern of internationalisation from local to regional to international. It also confirms the phenomenon of high growth and rapid internationalisation of firms from the emerging market of the MENA region.

International Markets Destinations of MENA HGRI	Number (Yes)	% (Yes)		Number (No)	% (No)	% TOTAL
MENA region	95	88		13	22	100.0
African Countries	67	62		41	38	100.0
European Union Countries	39	36.2		69	63.8	100.0
USA	18	16.7		90	83.3	100.0
Canada	9	8.4		99	91.6	100.0
Pakistan	16	14.8		92	85.2	100.0
Bangladesh	12	11.2		96	88.8	100.0
Afghanistan	6	5.6		102	94.4	100.0
North Korea	4	3.8		104	96.2	100.0
Albania	10	9.3		98	90.7	100.0
China	4	3.8		104	96.2	100.0
Singapore	4	3.8		104	96.2	100.0
Japan	4	3.8		104	96.2	100.0
Thailand	4	3.8		104	96.2	100.0
Russia	3	2.8		105	97.2	100.0
Turkey	2	1.9		106	98.1	100.0
Total Number of Companies 108; note that companies internationalised to more than one market.						

Table 5.11: International Markets Destinations
Source: Author

5.2.11 Summation of Descriptive Characteristics

This chapter so far has presented a general account of the characteristics of the 108 companies that constitute the data set (Appendix B), thus fulfilling the fourteen criteria set out in the methodology chapter. A descriptive statistics analysis was presented in the form of tables that represent the cross tabulation between the fourteen criteria set and the number of companies featured in this dataset.

Following on from the above quantitative account of companies that constitute the baseline dataset for this study, is a further form of data presentation that is a qualitative analysis of theoretically selected case companies (see Methodology, Chapter Four). The purpose of this qualitative examination is to reveal in-depth insights into the phenomena under study, and to strengthen the analysis and

discussion of the behaviours and motivations of high growing and rapidly internationalising firms from the MENA region. The next section provides an indicative profile of the eighteen theoretically selected case companies on which the thematic analysis and discussion is presented in the ensuing Chapters Six and Seven. Detailed information on these eighteen companies can also be found in tabular form for ease of reference in Appendix D.

5.3 Data Presentation of the Case Companies

A qualitative in-depth examination of the theoretically sampled eighteen case companies researched is presented, analysed and discussed, including the pilot case company. The “story” of each entrepreneur and his respective case company is presented to help demonstrate their growth and internationalisation behaviour and activities. Guided by the author’s conceptual framework, findings are presented for each of the entrepreneurs, their entrepreneurial teams and their firms in the extended study. In this section, the data presentations of the profiles of the selected samples of the eighteen case studies are displayed in tabular forms. Table 5.12 delineates the background profiles of entrepreneurs. Table 5.13 charts the different resources (human, social and financial capital) available to the lead entrepreneurs prior to and during the internationalisation process. Table 5.14 outlines a summation of the eighteen Case Company Characteristics. It includes the main industry that the companies operate in, the companies’ net worth in billions of dollars, their internationalisation profiles, the number of employees in each company and number of companies in the individual business groups.

5.3.1 Entrepreneurs’ Profiles

Table 5.1 presents a synopsis of the background profiles of entrepreneurs in the eighteen case studies. It includes the entrepreneurs’ age at the start of internationalisation, which indicates that most of the entrepreneurs started at a young age by MENA cultural standards. Furthermore, there is a strong male predominance, which is unsurprising in what can be considered to be a male dominated society.

C A S E	Entrepreneur		Type of Entrepreneur			Net Worth	Forbes Billionaire Ranking (2008)	Nationality
	Age	sex	Family member	Founder	Intrapreneur ⁸			
A	48	male	yes	yes	no	12.7	62nd	Egyptian
B	54	male	yes	yes	yes	8.9	238 th	Jordanian
C	38 and 42	male	yes, two brothers	no	no	2.2	689 th and 670 th	Egyptian
D	35	male	yes	no	no	11	72nd	Egyptian
E	44	male	yes	yes	no	2.9	240 th	Egyptian
F	34	male	no	yes	yes	n/a	189 th	UAE
G	50	male	no	yes	no	4.5	84 th	Qatari
H	52	male	no	yes	no	1.2	828 th	Egyptian /Qatari
I	42	male	no	yes	no	1.1	628 th	Egyptian /Qatari
J	44	male	no	yes	yes	5.8	74 th	Sudanese
K	56, 50, 40 and 48	Male and Female	Yes, three brothers and one sister	no	no	1.2	388 th	Egyptian
L	44, 42 and 38	Male and 1F	Yes, two brothers and one sister	yes	no	14	24 th	Kuwaiti
M	44, 42, 40 and 38	male	Yes, four brothers	yes	no	1.2	520 th	Egyptian
N	52	male	Yes	yes	no	2.0	408 th	Emirates
O	58	male	Yes	yes	no	1.6	642 th	Emirates
P	48	male	No	yes	no	1.0	841 th	Egyptian
R	44	male	yes	yes	no	1.0	842 th	Egyptian
Q	54	male	yes	yes	no	9	43 rd	Yemeni/Eth
X ⁹	42	male	yes	yes	no	n/a	Not in list	Egyptian
Total profile for 19 case companies including the Pilot Case Company								

Table 5.12: Background Profiles of Entrepreneurs in Case Studies

Source: Author

⁸ Intrapreneur is a professional who has an entrepreneurial idea within his existing company that he decides to take forward

⁹ Case X is an example of company that was unsuccessful in growing internationally

The table also shows the different types of entrepreneurs categorised under family members, founder and Intrapreneur. The findings revealed that a number of entrepreneurs were family members, yet they founded completely new business activities that were unrelated to the main family business. Other entrepreneurs from the sample, however, could be classified as second-generation entrepreneurs who transformed the original family business by internationalising the business. The third category was found to be intrapreneurs who were employees at MNEs.

These specific entrepreneurs were frustrated by the lack of interest shown by their employers in their ideas to internationalise and so they saw an opportunity to start their own business.

The table also includes the net worth and Forbes billionaire ranking of the entrepreneurs as of 2008, which is the year up to which the research covered. These indicators of wealth help to understand how fast internationalisation affected not only the company's net worth but also the personal wealth of the individuals, considering that none of the eighteen case entrepreneurs were listed on the Forbes billionaire list before their companies started internationalising. The nationality of the eighteen case companies' entrepreneurs is also included in Table 5.12 as an indicator of the geographic focus being the MENA region. The overwhelming presence of Egyptian nationals confirms the preliminary analysis conducted on the total population of 108 companies as presented in Table 5.1. However, it must be noted that the researcher had easier access to Egyptian companies due to being of Egyptian nationality herself.

5.3.2 Entrepreneurs' Resources

Table 5.13 presents the different resources accessible to the lead entrepreneurs prior to and during the internationalisation process. These resources are categorised as Human capital, Social capital and financial capital. Human capital indicates the principal founders' knowledge: background education, work experience and language proficiency. These indicators suggest the importance of the intangible resources that the entrepreneurs draw on in their internationalisation activities.

Case	Human Capital		Social Capital (Networks)					Financial Capital
	Education	Work experience	Family and Friends	Educational	Professional	Internal	Political	
A	German/Swiss	MNEs and family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPOs
B	American	MNEs	no	yes	yes	yes	yes	Personal savings/co. profits/IPOs
C	Egypt	Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPOs
D	German/American	MNEs and family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPOs
E	Egypt/Swiss	MNEs and family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
F	UAE/Singaporean	MNEs	no	yes	yes	yes	yes	Co. Profits/IPOs
G	No education	Own business (humble beginnings)	yes	no	yes	yes	yes	Personal savings/co. profits/IPOs
H	Egyptian	MNEs/Int. Org.	no	yes	yes	yes	yes	Personal savings/co. profits/IPOs
I	Egyptian/American	MNEs/Int. Org.	no	yes	yes	yes	yes	Personal savings/co. profits/IPOs
J	Egyptian/British	MNEs/Int. Org.	no	yes	yes	yes	yes	Personal savings/co. profits/IPOs
K	Egyptian/American	MNEs/family	yes	yes	yes	yes	yes	Family and

		business						friends/ co. profit/IPOs
L	Kuwaiti/American	Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
M	American	MNEs/Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
N	American	MNEs/Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
O	American	MNEs/Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
P	Egyptian	MNEs/Int. Org.	no	yes	yes	yes	yes	Personal savings/co. profits/IPOs
R	Egyptian	MNEs/Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
Q	Egyptian/British	MNEs/Family business	yes	yes	yes	yes	yes	Family and friends/ co. profit/IPO
X	Egyptian/French	Family business	yes	yes	yes	NO ¹⁰	yes	Family and friends/ co. profit/IPO
Total profile for 19 case companies including the Pilot Case Company								

Table 5.13: Profiles of Entrepreneurs' Resources

Source: Author

¹⁰ This case entrepreneur emphasised that one of the main reason for his companies unsuccessful international growth was due to the lack of internal networks with his own 'staff members' as he did not view them as 'entrepreneurial teams' as all other case studies have.

Information of international markets benefits from innovative products/services and tacit knowledge were key skills that enabled the entrepreneurs to embark on an internationalisation path that targeted hostile markets proactively. Social capital is another category presented in Table 5.13. It demonstrates the entrepreneurs' proprietary network relationships. The first is Family and friendship networks that were instrumental in instilling confidence in the lead entrepreneurs as they locked in beneficial relationships that helped to exploit business opportunities.

Educational networks are also a form of social capital that enabled the entrepreneurs to internationalise. Educational ties were key in helping and encouraging the entrepreneurs to internationalise in new territories that they could not have achieved alone. Most entrepreneurs built professional networks through their work with multinational companies as they trained at the beginning of their careers. These professional networks were essential in the internationalisation of the case firms as they collaborated in different alliances.

Findings revealed a new and interesting category of social capital, which is labelled internal networks in Table 5.13. Internal networking describes the networking activities of the lead entrepreneurs with their internal entrepreneurial team members and junior staff members within their firms. The importance of this type of networking, as explained by the entrepreneurs, was the main source of opportunity identification in new international markets. This is explained further under Section 6.3, when entrepreneurs explain how internal networking secured internationalising in places like Italy and North Korea.

Political networking is another category of social networking included in Table 5.13. This type of networking is considered by the entrepreneurs to empower their strategic alliances that enabled them to access certain key markets as they internationalised.

The financial capital category in Table 5.13 constitutes entrepreneurs' access to finances from different sources. Some entrepreneurs initially relied on family and friendship as capital resources to aid in their internationalisation activities. Others have used their personal savings from previous jobs to start their international

activities, whilst others have relied on profit accumulation from business operations. All case companies have at some point raised finance through share offerings and IPOs. It is worth noting that prior or during internationalisation the fifteen case companies have employed all financial resources separately or in some combination.

5.3.3 Case Company Characteristics and Features

Table 5.14 presents a synopsis of the eighteen Case Company Characteristics. It includes the main industry that the companies operate in, the companies' net worth in billions of dollars, their internationalisation profiles, the number of employees in each company and number of companies in the individual business groups. Although there was a main industry in which the eighteen case companies started internationalising, it is worthy of note that most of these companies diversified their activities to include other industries as well. In some cases the companies are highly diversified as a result.

The findings of the eighteen companies further confirm what was revealed by the analysis conducted on the 108 companies as shown in Table 5.3. Industry diversification is explained further in Section 7.3. Company net worth suggests the high growth of the eighteen case companies as a result of their internationalisation activities. These companies had no presence on the global scene prior to internationalisation. Their presence on global financial listings such as the FT, Forbes and Moody's is indicative of their achievement and success.

The internationalisation profile of the different case companies is expressed in three dimensions. International diversification indicates the number of new markets into which the firm internationalises and the number of new products and services that the firm introduces in new markets. The geographic scope indicates the percentage of international business undertaken by the company. The speed of internationalisation indicates the rate at which firms enter new markets, that is how rapidly the firms internationalise. The main aim of this research was to show *how* internationalisation of firms from the MENA region helped in the high growth of these firms.

Cas e	Main industry	Co. Net worth (\$bns)	Internationalisation Profile (Presence in International Markets)				No. of Employee s	Numb er in Busi ness Grou p
			Extent: International Diversification		Scope Geographi c (% of int. business)	Speed of Internationalisation		
			No. of new markets	new product /service				
A	Telecom	5.33	27	7	84%	1 year	22000	12
B	Pharma	12	48	133	90%	13 years	8000	14
C	Cables	8.4	110	23	78%	2 nd generation ¹¹	30000	18
D	construction	11.8	58	7	74%	2 nd generation	40000	14
E	Town development	2.9	8	6	68%	2 nd generation	22000	8
F	Marine transport	3.8	102	18	100%	Born Global	40000	16
G	Diversified	5.58	22	8		20 years	180000	42
H	Engineering		14	8	100%	8years	2800	4

¹¹ Internationalisation started when the second generation of family members joined the family local business

I	Consultancy	1.1	10	10	100%	From inception (prison) ¹²	4000	4
J	Telecom	5.8	18	6	100%	From inception (intrapreneur) ¹³	3800	18
K	Auto/diversified	8.2	8	6	64%	Internal internationalisation ¹⁴	50000	14
L	Highly Diversified	14	82	16	90%	Born global	60000	22
M	Optics/diversified	8.4	18	8	78%	3 years	45000	14
N	Retail	2.8	9	4	70%	10 years	40000	8
O	Al/Sugar/FI	5.4	12	8	60%	8 years	30000	7
P	Ceramics/IT	1.1	22	5	80%	10 years	40000	8
R	Steel	3.8	18	7	72%	4 years	20000	5
Q	Cons./Oil/Finance/Hotel	16.0	14	12	80%	12years	60000	12
X	Medical/diversified	declined ¹⁵	12	6	54%	3 years	10000	4

Table 5.14: Synopsis of Companies Profiles
Source: Author

¹² Entrepreneur started his own international company in Qatar to avoid imprisonment in his home country

¹³ Entrepreneur started his own international business in Sudan as he was frustrated with his employer who refused take his idea to internationalise forward

¹⁴ Entrepreneurs started by internal internationalisation as they represented a number of MNE's in their home countries Egypt first before they started internationalising into Africa, UK and Eastern Europe

¹⁵ Entrepreneur suffered a major decline in his business due to inaccurate decision making regarding internationalisation strategy amongst other reasons

Thus, the internationalisation profiles answer *where* and *when* the case firms internationalise, and in turn answer the main research questions posed at the outset of this study.

A more detailed analysis of the specific scope, extent and speed of internationalisation is discussed in Section 6.3.4. The final two categories included in Table 5.14 are the number of employees and number of companies in business groups. These categories help depict the size of the individual case companies. The findings of these categories indicate the eighteen case companies to be MNEs employing large numbers of technical and professional staff that are spread internationally across different markets. The numbers of companies within the business groups indicate the need for entrepreneurial teams to lead and manage the different international companies as international expansion takes place. The entrepreneurial and management process of such large numbers of employees and case companies thus becomes an important question that is discussed in Section 7.3.3 of this study.

5.4 Entrepreneurial Narrative and Within-Case Analysis of Companies

In this section all eighteen case companies are analysed and discussed within and across companies by a thematic analysis adhering to the conceptual framework. However, due to the high volume of data and to aid presentation, the individual within-case analysis for all eighteen case companies is presented in tabular form in Appendix D. Nonetheless, this chapter still presents three case companies through the entrepreneurial narrative or “storytelling” form, (Jack, Dodd and Anderson, 2008). This is intended to give the reader a flavour of the high growth and rapid internationalisation experience of the case companies before proceeding to the cross case analysis and discussions in Chapters Six and Seven.

The first case company, B, established by a Jordanian entrepreneur, is in the pharmaceutical industrial sector. Its international activity began after the owner and

lead entrepreneur had operated a local pharmaceutical business in his home country for thirteen years. The second is company D from the construction and engineering sector, with an Egyptian entrepreneur who is a second-generation owner and son who took over his local family business and transformed it into an international conglomerate over a period of six years. The third company, J, is in the telecommunication services sector, established by a Sudanese intrapreneur who was frustrated by the lack of response to innovative options by his seniors in an overseas company that employed him. So he resigned and started his own international business in Africa becoming one of the richest men in the world within a span of five years. These three companies represent different background, industrial sectors, nationalities and entrepreneurial actor status individual, family and intrapreneur. However, they share similarities in their entrepreneurial and managerial processes as they grew and internationalised around the globe. The illustration of the entrepreneurial narrative stories adheres to the within case-thematic analysis (Table 4.3).

5.4.1 Case Company B – Pharmaceuticals

5.4.1.1 Background

Mr B had studied and worked in the US for a pharmaceutical company but returned home to Jordan in 1979 to set up his own new venture company that initially traded under licence from a US manufacturer.

He identified, from his experience within Jordan, the opportunity for developing pharmaceutical operations in other countries based on his core skills in low cost sourcing and manufacturing. In 1992 when an international opportunity presented itself, Mr B was further inspired to acquire a generic pharmaceuticals business in the US, and then to establish an injectables pharmaceutical operation in Portugal. Mr B's construction of a green field factory in Portugal served as an ideal launch pad for servicing the European market. At that time the cost of operations in Portugal was much lower in comparison to all other European countries. Since then, the company has expanded significantly, both organically and through acquisitions. It is now a

pharmaceutical MNE that develops, manufactures and markets a broad range of generic and licensed pharmaceuticals

Mr B founded and operated his branded pharmaceuticals business for the MENA Region, under licence from an American, FDA approved company. This made his company the first in the Arab world to have FDA approval. Mr B's son took over the firm from his father as CEO of the company in 2005 when it was listed on the London stock exchange. It continued to acquire more production facilities in different parts of the world including the UK, Saudi Arabia and Egypt.

5.4.1.2 Resources and Capabilities

5.4.1.2.1 *Human Capital*

Following higher education in the US, the founder gained relevant work experience in the US pharmaceutical market as a chemical engineer. This provided the financial and technical resources to launch his own business in his country of origin, Jordan. He built and maintained his capabilities through on-going work with a particular US pharmaceutical firm that was FDA approved over a ten-year period. In his own country he developed core skills in sourcing and low cost manufacturing that was not of interest to, or in conflict with, other pharmaceutical MNEs.

For Case Company B, knowledge was not only a human capital but it was a central process and an important component of its business strategy. Mr B explained how he utilised his resource of knowledge and how it continued to be a learning process:

- First of all, his own education had led to a BSc and an MSc in pharmaceutical education from the United States. This was his main knowledge resource that he drew upon and mobilised when he started his business and started to internationalise.
- Second, his work experience with Lilly Pharmaceuticals in the US was also a definite resource, as he utilised that resource when he started his own business and also mobilised it when he started to internationalise.

- Third was Mr B's knowledge of new on-going markets. Whilst he knew about working in an established company in the US, he did not know about opening a business there or have the capabilities for starting a new business. So, he had to acquire this knowledge through other experts when he wanted to start his own business in the US. He recruited two executives from Lilly to join his company with an initial focus on production plant and then running the business in such a way as to gain FDA Approval. Then when he wanted to go to other markets, for example the MENA region, he recruited people to work with him who had expertise in these markets. Such experts constituted a resource but at the same time, he was using this learning process for other people in his company to learn from those professionals with international experience. This was an on-going process of learning for everybody in his firms.

A further example of knowledge as both a resource and a process can be seen in the establishment of a plant in Portugal. As it was a Greenfield site, this meant starting a plant from scratch, and acquiring the necessary expertise to operate it. He recruited professionals knowledgeable from European markets, who could identify the lowest possible cost areas; who were familiar with construction regulations; and where the favourable tax incentives could be found. It was an ongoing process of both learning and building capabilities. This knowledge trickled downwards and sideways among managements and pharmacists to strengthen the learning process such that he managed to develop four operating production plants in Portugal, which was really the backbone of his business. This *modus operandi* continued as he expanded into different European markets, recruiting international personnel with expertise in the British, French and Arabic markets as required. This strategy is actually what built his multi-national status.

Another aspect of the knowledge and learning process can be found in Mr B's internal development of his staff members and colleagues. There were many training courses, not only of a technical and innovative nature leading to new products, but also in customer relations; dealing with the needs of customers; testing what was

needed in the markets and how to deal with international markets. In his interview Mr B put significant emphasis on value -added knowledge. He explained that whilst it is important that developing pharmacists have a strong technical background, it is also crucial to have a global vision as most of his employees were working across borders in a number of different factories. It was very important for him that his staff members were “all-rounder” in that they knew about how to manage factories and how to manage different areas of technical and managerial processes. Therefore, the managerial processes as well as the entrepreneurial process were being planned and embedded in this particular business.

Mr B was a great believer in giving his staff members and the people working with him the chance to take courses in different parts of the world, and he even went further in his aspirations, as he sponsored education for young Jordanians and young Arabs. This was to ensure that as they completed their education, they would come and work for him in his international businesses. It is as if he is catering for this particular business through offering scholarships leading to jobs for these people, thereby ensuring that he had a pool of very well educated people continuously feeding into his business and, as he continuously likes to mention, and becoming part of the pharmaceutical family of Firm B.

Mr R, an entrepreneurial team member in Case Company B, confirmed that the opportunities for learning and development were key attractions in the recruitment of highly qualified professionals to work for the company. Furthermore, during the internationalisation process experienced international staff members with specific market awareness were recruited but learning capabilities were also achieved through reconfiguring some of the firm’s existing capabilities to facilitate the initial stages of overseas expansion. This took place overseas as staff members with certain capabilities were mobilised to address different development stages of a firm’s growth:

“Had to move him to another market; as, he had the skills of handling difficult situations and tasks in the Middle Eastern practice. That mobilisation

smoothed a difficult operation and turned it into a highly successful business later on.”

5.4.1.2.2 Social Capital

Mr B's range of networks included educational and work contacts from the USA, academic institutions and pharmaceutical firms. He maintained close links with his customer base and their business needs through continuous market research and maintained good relationships with government agencies that facilitated the firm's endorsement for FDA approval in a timely manner.

How did he network? Networking to Mr B was a process not only a resource of social capital. This was a multi-staged strategy of operation as at the beginning Mr B networked with his educational colleagues to land a good development opportunity in one of the leading pharmaceutical firms in the USA. He continued to build strong relationships with his colleagues at Lilly pharmaceuticals so as to establish strong connections that helped him later on when starting his very first business venture in his home country. This networking process with his business colleagues continued to play an important role when Mr B went through his first American acquisition of an FDA approved manufacturing plant. Mr B expressed the importance of reciprocal dimensions within the network relationships with his old colleagues, in the form of mutually beneficial arrangements such as consultancies and directorships.

Mr B explains his networking processes as follows:

“Networking to me was actually a process, as I went through completely different stages in networking. What happened was when I was young, in the States; I decided to go back to my country to start my business. I had to depend on my connections both in Jordan and in the States. I used to work for Lilly, which is a major pharmaceutical company, and I needed their help in taking their know-how to start my business in Jordan. It was actually very helpful that I had very good relationships with my previous bosses and I did manage to convince one of them to come and be a very highly paid executive in my company in Jordan.”

This multi-faceted networking process of Case Company B continued to include strong governmental ties in both home and host countries where it internationalised. He started building connections with local health providers through much needed

pharmaceutical products at low and even nil cost in exchange for longer term financial incentives from government.

He continued to explain as follows:

“As for the connections in Jordan, I made very good relationships with the Government people in Jordan on the bureaucratic issues which usually takes place before inaugurating a business, I managed to do it in a very short period of time because I did manage to go through a lot of building of strong relationships with the people of the Jordanian Government. When I started my business, the very first stage was relationships or contacts with the Bureaucrat of the Jordanian Government and other officials, which helped me to go through the red tape and start my business faster than usual in our part of the world, and building as well. My relationship with my previous bosses in the States was crucial.

The second stage of my relationships was when I decided that I wanted to expand my business internationally. I discovered that I could not do that unless I had an FDA Approved Pharmaceutical business and to do that, I really had to go back and build on other relationships with my American friends. I got two important executives from Lilly to join my business after twelve years of operating in Jordan. To get an FDA Approved factory in Jordan I had to go through my new factory in the States I which managed to get the due to my networks. So, actually, my relationships in the States was more of the nature of people who knew what to do and how to do it, because when I was working in the States, I was never exposed to this kind of business before.

The third stage of my relationships was actually when I decided that I wanted to use all the technical abilities that I have, now that I am FDA Approved as well. I want to start manufacturing and exporting pharmaceuticals, and this, was actually a different stage. I started building relationships in different parts of the Arab world in the MENA regions specifically. However, I discovered that maybe the States is not convenient enough, and this is why I thought of having another factory in Europe. This decision was due to the shorter distance to the MENA region and because my Jordanian factory was too small to be able to handle this region as well. My American one was doing very well, even in the States itself, but maybe I needed to expand by investing in Europe as well.

In this kind of relationship I am getting what we call in our language, Agents, to start to find cheaper areas to start a business, so my relationships were not so much technical, as people in real estate and Governmental officials who can help me to locate good manufacturing conditions, with good incentives in one of the European countries. This paid off very well because with my connections in Portugal, I managed to build four different factories in

Portugal, which were very, very cheap at that time, and it gave me access, not only to export to the MENA region, but gave me access to the whole European Union because once you build a factory, in one of the European countries, you have access to different European countries. This was another stage of my relationships.”

Another networking process that B continued to sustain was his close links with his customer base and their business needs through continuous market research. This enabled him to anticipate and establish his flagship products of diabetic medication injectables. He elaborates on this stage of networking process:

“The last stage of my relationships which I consider to be the most important, but each stage is important I said. We were a huge multi-national pharmaceutical company and I needed to keep understanding what the customers wanted. I wanted to be in the market, so my customer base was my most important factor in this last stage, because I started innovating or building my pharmaceutical products based on what is needed in the market. What the market needs, I start to get my people to work on it. Actually, this turned out to be one of the most important factors in our growth and internationalisation. For example, Diabetes is very high in our part of the world, but I discovered, also in America, injecting is not very popular. Methods of injecting was my new line and I got FDA Approval for it, and actually, right now, we have thirteen new products which are really customer-based products for which I am waiting approval from FDA before we start manufacturing.

As I said, four different stages of networking, so my networks were as much as a resource as process, because it is not something that happens once and stops, it keeps increasing with time and keeps differing with time as well, because when I was young, it was different than it is now that I am older and now that we are a multi-national company, it is a completely different story.”

5.4.1.2.3 Financial Resources

The founder used income from his personal employment as the main financial resource to launch a new venture in his own country that went on to form the basis for growth into a number of new international ventures in the US, Portugal, Middle East and UK. He negotiated with business associates to secure their financial support in enlarging his international profile as they recognised his foreign firms to be a credible business opportunity. In order to consolidate the expansion of production, research and development, marketing and acquisition of additional businesses, he had to raise extra capital through an initial public offering (IPO) of shares on the London

stock exchange. This profit accumulation played an important role in the MNE's growth as well.

5.4.1.3 Entrepreneurial Dynamic Capabilities

In order to maximise his technical innovations, he was proactive in buying an American business seeking the added advantage of the FDA approval. Despite the risks associated with this strategic move, his intuition, together with the willingness to accept risk, enabled him to fulfil his aspirations of starting the first Arab FDA approved pharmaceutical business in the USA. This was an entrepreneurial strategy that integrated both managerial and technical innovation and enabled B to exploit the return on his investments.

After operating under licence from a US company for ten years, MR B identified an international opportunity in acquiring (West-Ward) a pharmaceutical plant in New Jersey USA. This was a major strategic decision not only to enter the US market but also to become an FDA compliant manufacturing unit. By doing so his company became the first Arab pharmaceutical company to receive FDA approval. Alongside his chemical engineering qualifications and experience, he developed within Jordan core skills in sourcing and in low cost manufacturing that was of no interest to other pharmaceutical MNEs. In combining this with quality products and sales and marketing capability his company became the lowest cost manufacturer in the Middle East, and the only FDA approved manufacturer in the Arab world.

Portugal served as a ideal launch pad to service the European market, as at that time the cost of operations in Portugal was much less in comparison to all other European countries. Analysis also showed a need for low cost medicines for poorer people within countries such as the US: this was a perception that became a new strategic opportunity. Now three strategies combined to develop capabilities with carefully analysed opportunities. First a strong market position was consolidated in the MENA region through new products, geographic markets and market share. Second, a clear competitive lead was established in injectables R and D focus on technically challenging products such as injectables, complex formulations, unstable compounds,

and sustained release tablets and capsules). Third, opportunistic product development was pursued in the US in high margin, niche products (104 new products pending approval and another 133 under development).

5.4.1.4 Internationalisation Process

Mr B founded his company in 1978 in Jordan, as a branded pharmaceuticals business for the MENA Region, under licence from an American, FDA approved company. He identified an opportunity for developing pharmaceutical operations, which he later evaluated and exploited in other countries based on core skills in low cost sourcing and manufacturing. This internationalisation process continued through the opportunity creation in 1992 in acquiring a generic pharmaceuticals business in the US, and later with the establishment of an injectables pharmaceutical operation in Portugal and Eastern Europe. Since then, the company has expanded significantly, both organically and through acquisition. It is now a pharmaceutical MNE that develops manufactures and markets of a broad range of generic and in-licensed pharmaceuticals. The international entrepreneurial process across different international markets are presented as a finger prints pattern in Figure 5.12

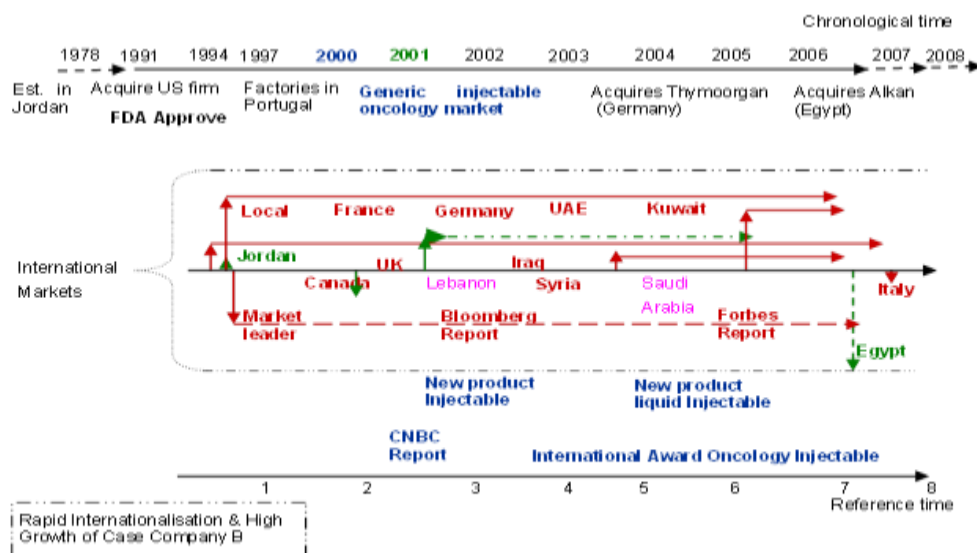


Figure 5.12: Fingerprint pattern of Internationalisation of Case B
Source: Author

5.4.1.5 Leadership

Mr B established a clear vision and developed entrepreneurial strategies that focused on both opportunity-seeking and crafting competitive advantage for his firm to internationalise into a wide scope of foreign markets. Mr B. had sufficient work experience to anticipate market needs without losing the flexibility of working with other entrepreneurial team members to promote a viable future for the company. Mr B believed in a distributed style of management where a number of other competent colleagues would take a lead in internationally diversifying the business portfolio.

Case Company B evolved from a single proprietor enterprise into an international conglomerate in the course of which B. reinvented his leadership style such that the responsibility for decision-making and strategic authority previously held by himself alone, was delegated to an entrepreneurial team of highly qualified professionals with international experience. This is referred to in this research as *distributed leadership*. For example, when MR B initiated his production line in Portugal he had to rely completely on his entrepreneurial team to locate, construct and operate this business. This distributed style of leadership combined with the allocation of shares in their favour, was a major factor in motivating his staff, with the result that the team began identifying other international markets where they expanded their business such that within four years, six production plants were in full operation, covering the whole of the European Union market.

5.4.1.6 Motivations

The recognition of the opportunity represented by acquiring a pharmaceutical plant in the USA which would facilitate FDA approval was a major motivational factor for Mr B in setting up his own company. That, combined with FDI in Portugal (low cost production) and pan-European legislation, enabled the company to internationalise into a large number of foreign markets. The force of competition was another important driver behind Mr B's international exploitation processes as he was working towards a low cost production together with aiming for a strong market

position in different geographic regions through a larger market share of injectables pharmaceutical products.

Firm B invested in the USA and Portugal specifically to develop competitive advantage for a global niche in pharmaceutical injectables products. This strategy guided Firm B into becoming an industry leader in this pharmaceutical specialization. The company's strategic acquisitions placed it in a position to compete worldwide with its diversified portfolio of pharmaceutical injectables products. However, Firm B also developed competitive advantage through identifying global niches in different geographical contexts. This was exhibited by Firm B as it internationalised in a number of developed markets in the area of pharmaceutical injectables, as it was motivated by, and managed to achieve a global niche in various foreign markets.

5.4.1.7 International Diversification, Business Groups and Entrepreneurial Team

Case Company B formed a number of business groups and this led to the definite need for entrepreneurial teams to manage these business groups around the globe. This was the distributed leadership strategy undertaken by Mr B, as explained under the theme of leadership. Company B continued to acquire more production facilities in different parts of the world to become one the largest pharmaceutical MNEs that develops manufactures and markets broad range generic and licensed pharmaceuticals. In 2008, it had twenty-three production and manufacturing facilities in twelve different countries and with sales in 110 countries. This international diversification process resulted in the formation of a number of business groups, which necessitated the lead entrepreneur delegating and developing entrepreneurial team members to assume leadership and management roles. These lead entrepreneurial team members' mastered different managerial processes as they drove their respective business groups forward upon assuming their senior management positions. The entrepreneurial team was composed of highly qualified technical employees, who were attracted by the strong emphasis on R and D as well as business professionals with a developed international market sense.

Entrepreneurial Team members interviewed in this case study included B1, son of founder and pioneer who developed new products and new geographical foreign markets. B1 was the mastermind behind closing a number of major acquisitions for the firm that positioned it as a market leader in the pharmaceutical industry.

Due to B's major investments in R and D research to perfect high quality and low cost medications, he recruited B2 who had high technical skills, to lead the low cost production of injectables. B2 later became CEO of the American arm of Company B utilising his competence in negotiating finalisation of the FDA agreements.

5.4.2 Case Company D – Construction

5.4.2.1 Background

Founded in the 1950s by Mr D Senior, company D was a small, local contractor that was nationalised during Nasser's period in power with the result that Mr D Senior relocated his business to Libya. He returned to Egypt in the late 1970s after Sadat came to power and began re-privatising. It continued to operate as a local family construction company until 1998. Mr D Junior, the youngest son of the founder, explained how he took over the family business and turned it into a construction and engineering empire in the span of six years through a strategy of internationalisation. He remembers:

“Being the youngest of a family of high achievers I decided to start my own business; actually my first business was in fast food. I started the MacDonald's fast food chain in Egypt and I was actually a very big hit and achieved great success in a very short period of time, but watching both my brothers having their own international businesses, made me think about my own international opportunities.”

Both his brothers' businesses flourished and, as both decided to stay away from their father's family local contracting business, Mr D Junior thought that maybe it is quite a challenge for him to follow suit, like his brothers. He wanted to go international, he wanted to go global, but what should he do? Finally, he decided to try and convince his father to take his contracting business and jointly run it with him for a short period of time to see how it would go. Since Mr D Junior was not an engineer, it was

with some reluctance that his father agreed to allow him to run the contracting business with him.

Mr D Junior remembered:

“When I first started running the business with my father, I discovered that there was a lot of shortage in cement and we, as a reputed company, were able to get more than our share in the market. Being able to get more than our share in the market allowed us, or at least allow me, to test my luck in some of the neighbouring countries by supplying some cement. I discovered that it was quite profitable to supply building materials in neighbouring countries and I convinced my father that maybe I should pursue this as an extra activity to our business, which is the production of cement. One thing led to another and within the span of four years, I had managed to start cement production for our company as the main activity. I established cement production both in Egypt and in Algeria to start with and, later on, in Eastern Europe. That really allowed me to expand this new kind of business”.

5.4.2.2 Resources and Capabilities

5.4.2.2.1 Human Capital

The human capital at Mr D Junior’s disposal derived essentially from his educational experiences, as he was first educated in German Schools in Cairo and his undergraduate studies were undertaken at University of Chicago Business School. . He cherished his education as he explained “even going to MacDonald’s’ College was of great help to me when I decided to franchise my cement business”. He used his US connections, training and personal capabilities to embark upon the ambitious diversification strategy described above that entailed investing in activities in cement and building materials, complementary to the family business, through contracts in different parts of the world.

5.4.2.2.2 Knowledge and Learning Processes

Mr D Junior makes clear that a good education on an international basis is central for all colleagues but that it is not sufficient. He notes that employee engagement with continuing education and professional development in the international context for everyone is what gives his company an “edge”:

“I think knowledge and learning in our firm is an on-going process. It is not only a resource. I mean, most of us working in the firm, myself and my colleagues, we all have very good education, international degrees and global vision background, and we have foreign work experience, in different parts of the world. However, I think our learning process is very important to us, as we have continuous workshops of training and development both internally and externally, so I encourage our people always to go to find the latest of the technical courses as well as personal development courses, marketing and leadership courses. I encourage my people to bring to our attention whichever course they would like to attend as we can either have it tailor made to our company or we send our executives to do a course, because I believe that acquiring knowledge is a major and important resource to us. Actually, it is because of our knowledge of the different parts of the world which gives us this edge over any other company, and this is why we managed to internationalise and grow, as knowledge is really money.

Knowledge is a resource and because we know about these markets, we manage to internationalise there and have a small operation. That is why we feel that it is very important resource and we spend a lot of money on the learning process and the training and internal development of our staff members.

Mr D Junior also points to his strategy of targeted recruitment of experts with specific knowledge and indeed joining forces with the “competition” on occasion when it is to their mutual advantage:

“It does not harm us at all and another way of learning is actually by getting some experts, we recruit experts, to come and join our companies and we have no problem doing that and we even have very good relationships with our competition. We sometimes go into consortiums or joint ventures to ensure that if we lack certain expertise in certain areas, our partners, our joint ventures or our consortiums will fulfil this need which we do not have in our companies or in our expertise. Acquiring knowledge and absorbing whatever capabilities there are around has always been a very important aspect of our learning procedures which we continue to do, so it is not enough to get staff members who are very efficient and of high calibre, but it is also very important to learn by experimenting and learning from other people who know about it and I understand that academics refer to this as tacit knowledge, but it is to us as well.”

5.4.2.2.3 Social Capital

Mr D. Junior’s networks were comprised of contacts in business, government, educational institutions, family and friendships. He had extensive social capital through all these avenues but the most outstanding relational network came through

his mother's professional career in Western organisations and connections in the professional world of the US and UK governments.

5.4.2.2.4 Networking

The following comments indicate the key role played by family contacts in establishing Mr D's company and facilitating its international aspirations:

"My mother was a great help in networking. She introduced me to the American aid projects. All American aid projects in Egypt and they were booming at that time due to the signing of act that the Peace Treaty by President Sadat; part of the Peace Treaty had been to give American aid projects to Egypt.

My father, with his contacts, of course having the reputation of a very good contractor was another major help in networking. My brothers with their own businesses, each in a different area, one in Tourism and the other in Telecommunications, were also a great help in networking. I think a great part of our success could definitely be because of good networking and I also really feel that knowing how to go forward with our business was of great help."

Besides my family, my friends and my education in the US, and my German school who were also very helpful and happy to help me with the projects I needed.

An interesting feature of Mr D's strategy is what he calls "internal networking" with members of his entrepreneurial team in which he creates a relaxed "space" or opportunity outside the office for what we might call "blue-sky" thinking. In his own words:

"My internal networking with my entrepreneurial team members was very, very important in my networking. I was leading a multi-dollar project so I had to depend mainly on a group of colleagues of mine who really were needed like myself, in my kind of business, and they were very efficient engineers, some high calibre individuals with visions which identified a lot of opportunities all over the world and urged me to take those opportunities. I call that internal networking, listening to our own people and being able to sit down and brainstorm together on how to take things forward and I thought that, actually, one of our major resources in the company is the fact that we internally network together and we do not do that only in the offices. We also go out for dinner, because in Egypt everything is about food. We do not go out for drinks, we go out for food most of the time, and we discovered that by doing that, by having a function, a weekly function where we gather and

relax, and sit down and discuss and measure aspects of the business, that helps us to focus on mega-projects in different parts of the world and, actually, each one of us has ideas about where to take the business forward.”

Later on in life, Mr D Junior explained that he went through different stages of networking because at one time you would depend on the family as you are still young and you still need their support. Later on in life, you build on your relationships with your contacts that you start building and how you build them is a process. It is not a one lunch or one dinner stand. You keep adding them, you keep asking about them, you keep involving them in decision-making processes and you keep trying to relate to the existing problems.

When asked about being a member of a number of organisations, charitable and others, he said that both his brothers have two huge foundations which are supposed to be family foundations for charities, for education, for helping the poor, for providing low cost housing and low cost education and, actually, giving scholarships to some people to get educated abroad. He was not an active member of the foundation, but it was and still is a family foundation. He explained that whenever he was asked by any of his contacts for help, or people who were in need were referred to him, he provided immediate support through his family foundation.

He also added that, “yes”, he was, and still is a member of all the business associations, the Egyptian German, the Egyptian British, the Egyptian American and the Egyptian French. These are four major business associations that both his brothers have been pivotal in starting. He explained that he was never as active as both his brothers in these foundations. However, he drew on his brothers’ connections in any projects that had required French or German or American or British companies to operate in joint venture status.

Mr D Junior reiterates the importance of human interaction when he explained that, for him, strategy is no more or less than conversation management and he gave the example of how he managed to capture the respect and the admiration of his competition when he was in the cement business. He realised that although he was expanding heavily in cement production and it was generating a lot of profit for the

company, he wanted to check his situation against that of the competition. He knew that he was not the largest, maybe the fifth or sixth largest in the world; however, he was leading a very big company. He had good relationships based on mutual respect with the two largest cement producers in the world, Lafarge and CEMEX. He entered talks with Lafarge, negotiating with them to sell all his cement production, but on condition of becoming a partner with them, rather than selling and walking away. He achieved an excellent deal for his shareholders as well as himself.

5.4.2.2.5 *Financial Resources*

Finances were initially raised through the family business and as his ventures diversified and expanded, he needed to raise capital through initial public offerings of shares on the Cairo and Alexandria stock exchanges. Additionally as business grew, Mr D. Junior had other IPOs of shares on the London and New York stock exchanges. Some of the capital acquired in this way was used to fund investments in the booming construction industry before selling out for further profit and a seat on the world's largest cement manufacturer.

He depended on the family reputation, as well as his efficiency in running the business to build trust in the company. The market believed in his ability to drive this company forward as explained by Moody's CEO who evaluated the firm for the IPOs of shares offering.

5.4.2.3 Entrepreneurial Dynamic Capabilities

Mr D Junior made strategic purchases of foreign companies, notably in the US and Belgium, to facilitate entry into new markets and to expand the company's range of major products such as the Burj Dubai, the world's tallest building. His strategic decision-making revealed an extraordinary degree of proactive and innovative thinking such that within two years he had acquired seventeen cement factories around the globe. The essence of these transactions was the willingness to take significant risks.

He explained that his journey through these six years with his father's company to become a huge international magnate, in the following way. In the early days of being the youngest son to join the family business when he was not taken as seriously, most of the people in the company followed only his father's opinion. After only a few months and noticing how keen, how aggressive (as he puts it) and how pro-active he was in his decisions, people in the company started reporting to him and asking for his advice on how to do things. Although he likes to describe himself as being aggressive, he admits that his father's direction, networking and contacts in the industry of contracting, played a very important role in his initial success.

He explained the strategic thinking process:

“As I said, my mother introduced me to the American aid projects, but American aid projects had a certain clause in it, that part of the work can be done by Egyptian companies and the other part should be done by American companies. That made me think, why not get an American company to help us to start doing some more work in Egypt, so the acquisition of an American company, with American contractors was the second challenging point that I convinced my father of, which he resisted at the beginning, but later on he agreed. It turned out to be a very successful acquisition as we managed not only to get the majority of main projects in Egypt, but also a lot of projects in Africa, East Europe and the Gulf area. During that time, I identified, and later on, created more opportunities to turn our business around into comprehensive construction businesses.”

As I said before, I started businesses in cement production and also other building materials. This took place over a period of four to six years and then after the acquisition of the American company, I discovered that to be able to compete for major projects such as the highest tower in the world, which is in Dubai, and other prestigious projects, as we call them, I had to get a much bigger kind of a company to be able to do that which I managed to do by bidding on BESIX which was a Belgian multi-national and which turned out to be another successful acquisition as we managed to do all major mega-projects in our field. By doing that, I managed to turn our company from a local contractor into one of the Engineering 500, which means that it was one of the largest 500 Engineering Firms in the world. By the end of 2008, I was voted the richest person in Africa.”

5.4.2.4 International Diversification, Business Groups and Entrepreneurial Team

Keen to develop his new ideas, Mr D Junior took over management of Company D, and embarked upon an ambitious diversification strategy through identifying the high demand of building materials and he evaluated the opportunity of investments in complementary businesses such as cement. He later on exploited this opportunity to maximise company profits internationally.

By 2008, Mr D Junior, advised by his internal networks of managers/advisors, decided to further diversify into new industries announcing the investment in the Egyptian Fertiliser Company, Egyptian Sack Company and Abraaj Capital Fertilizers production operations; he saw this as the start of a new business opportunity in which to further his reputation.

Mr D. Junior was “armed” with highly qualified entrepreneurial team members who together created, managed and sustained successful new international firms and business groups in different parts of the world. For example, D.1 – who has a dual degree in engineering and finance, as well as extensive work experience in the US – was responsible for the successful management of the businesses in Algeria, Qatar, Emirates, Pakistan and Bangladesh. Of course, D.1 is a major shareholder in the holding company and he is the CEO of Company D Investments. This strategy is not typical of MENA firms in general though more so of this particular sample.

Company D made aggressive investments in cement factories in thirty-two countries worldwide focused on scale advantage. Having gained a major market share of the world’s cement industry through these acquisitions, Mr D. Junior then made a further strategic investment decision by divesting 100% of company D Cement division to Lafarge (the then largest cement producer in the world) for \$13 billion, an 11.4% stake in the company and a director’s seat on its board. The profit from this divestment enabled amongst others, the acquisition of 22% of Abraaj Capital Fertilizer production operations with a focus on developing human resources and potential rather than markets, and on strategic activity to achieve growth and expansion of reputation.

5.4.2.5 Internationalisation

The construction boom of the 2002/3, in the MENA region, led Mr D to acquire and construct a spate of international cement companies. He internationalised through strategic purchases of foreign companies, notably in the US and Belgium, to facilitate entry into new markets and expands the company's range of major products and services.

His discovery, evaluation and exploitation of opportunities resulted in acquiring and managing seventeen cement factories around the globe. The internationalisation of his firm into new markets through construction projects is shown in the finger print timeline of the company in Figure 5.13.

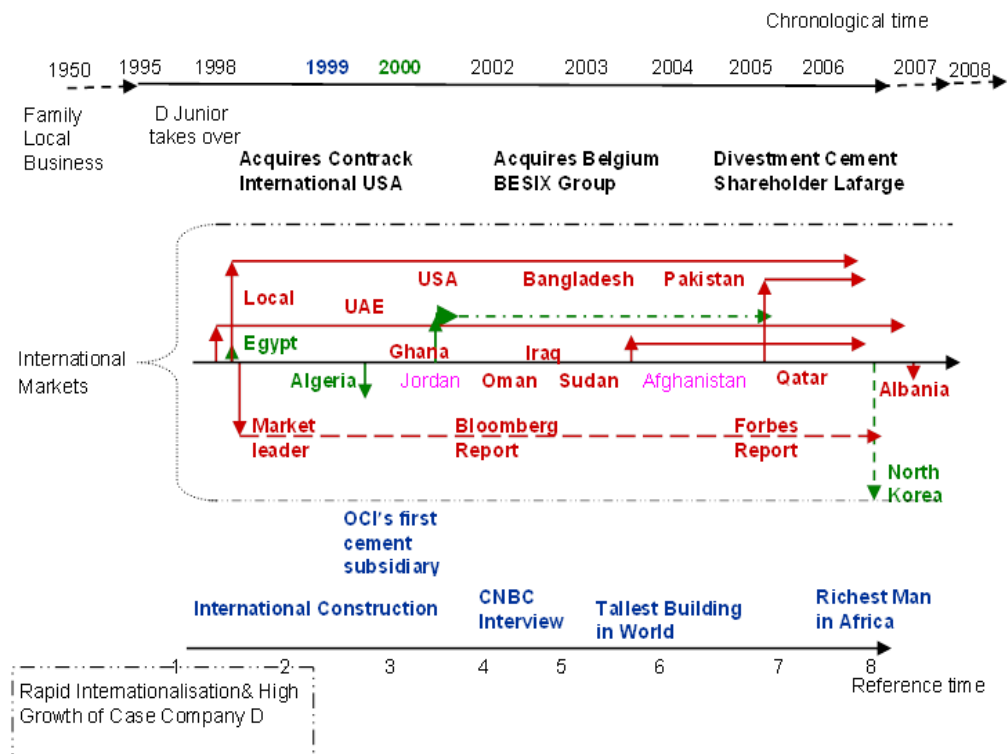


Figure 5.13: Fingerprint Pattern of Internationalisation of Case D

Source: Author

Host countries' regulation enabled Mr D Junior to acquire Contract International in the USA and to underpin all institutional projects in the Middle East and Central Asia

with finance from the US AID, naval and American Corps of Engineers. The same applied to Belgium BESIX Group that undertakes major commercial, industrial and infrastructure projects throughout Europe, northern and central Africa and the Middle East.

5.4.2.6 Motivation

This youngest son in a family of successful entrepreneurs was driven by the urge to prove his abilities in running and sustaining the family wealth as well as by the “pull” factor and opportunity of international markets. Internationalising in no competition new markets, as well as pursuing hostile markets with lack of infrastructures constituted two major motivational triggers for firm D to expand internationally. Also his desire to position the firm as an MNE, led him to seek to internationalise from an emerging market that gave him a competitive advantage of performing in hostile markets. The institutions, whether weak or strong, in the new host countries represented quite an influential factor for the internationalisation for firm D which managed to utilise this factor to its benefit in both cases.

5.4.2.7 Motivation

Mr D had clear vision as he led his family business through diversifying investments and de-investments of profitable projects that he anticipated would generate other successful opportunities in his strategic planning and implementation. His move to de-invest his successful global cement production business was met with disbelief by family, associates and partners. However, this deal gave him massive profits and a continuing stake in the largest cement company in the world as already described.

This was “informed” self-belief as well as leadership. His leadership style motivated other entrepreneurial team members to initiate change in the interests of a viable future for the company. His faith in a distributed leadership and empowering his staff members was recognised in the delivery.

5.4.2.8 International Churning

Everyone in the market was so worried about this divestment, however, D Junior managed to undertake a very profitable deal. He not only got a large sum of money for his holding company OCI, but he also became a partner in Lafarge owning 16% of its total shares. This is what the author refers to in this research as “international churning” where the entrepreneur divests a certain investment to be able to create and initiate another business venture. Having sold the old very profitable investment because he had identified an opportunity in fertilisers’ production, he was able to use the cash generated to help finance the new fertilisers’ production and by the end of 2008, he had bought another profitable fertiliser business Abraaj. He also gained a new status as a major shareholder of Lafarge (largest cement producer in the world).

5.4.3 Case Company J – Telecommunications

5.4.3.1 Background

Mr J was Sudanese/Egyptian born and described himself as a Nubian, educated in Alexandria and the UK and working in the national telecoms company in Khartoum, Sudan. He describes what he did in the following way:

“I found the work thrilling and absorbing, but I certainly had no idea it was going to make me a lot of money.”

In 1983, he was attracted by British Telecom to leave his academic career and become the technical director of its infant company Celnet (now O2). He describes this period of his life as being “a very frustrating experience, thanks to BT’s failure to grasp the potential of new technology.” After 6 years of struggling he decided to resign his executive career and set up as a consultancy firm. He formed his first company, Mobile Systems International (MSI) where he designed technical specifications for different operators. He explains:

“...if I can save 10% on the networks of the operators who spend billions on their hardware, then I was saving hundreds of millions [for the operators] and so I can now charge what I like.”

Mr J was working with a group of young innovative communication engineers who saw an opportunity in the challenging problems facing the operators, and thus made it their goal to grow their company based on strategy of new innovations to help cut costs of network operations. From simple beginnings he managed to grow his company MSI to a business group of seventeen international subsidiaries and 800 employees some of whom owned 30% of the shares of the firm. Later on as M explained, the opportunity presented itself to go to Africa. So he established Celtel in 1998 as an operator rather than a consultancy (like MSI).

By the end of 2004, M was made an offer by the South African MTN to buy Celtel for 3.4 billion UMR B, which he accepted; his staff shared 500 million UMR B as shareholders in the company thus making 100 African employees millionaires overnight as a result of this sell out.

Having retired as a billionaire, Mr J now divides his time between his various charitable causes led by his Foundation that promotes transparent leadership within Africa as well as providing funding for the education of African students the world over.

5.4.3.2 Resources and Capabilities

5.4.3.2.1 *Human Capital*

As for the knowledge and the learning capabilities, Mr J explained that this was also a resource and a process at the same time. As a resource his knowledge was gained through his telecommunication studies at both undergraduate and graduate levels. He depended on this knowledge and his experience working with British Telecom and O2 to build his abilities and capabilities in tackling different areas of technical problems. However, he explained that his real knowledge ability, or his learning process, was through the licensing. He decided to go international because he discovered that emerging markets and more significantly, Africa had no licensing restrictions. He saw this was a “golden opportunity” and a key piece of information on which he decided to build his business. He further explained that:

“Everywhere in Europe and everywhere in the States, and everywhere else in the world, to get a licence was so, so expensive.”

This knowledge of the international market and the related ignorance or reluctance of other operators explains the extent of his entrepreneurial alertness. He managed to utilise this resource of knowledge in order to create and sustain wealth. The other element that Mr J. believed was a major factor in his high growth was the character of the people who joined him as colleagues. He considered them to be his entrepreneurial team and gave them equal shares in his company. Each one of these team members brought their expertise in different African markets as they rapidly internationalised into twenty-two African markets. Access to knowledge of new markets and mobilising resources internationally were an ongoing learning process that Mr J viewed as key to his company’s rapid and international high growth.

M and his colleagues mobilised resources internationally among the African countries, and this is why knowledge to them was not only a resource, it was also a process. The on-going process of mobilising the resource of human capital confirms the status of knowledge as both an asset and a process.

5.4.3.2.2 *Social Capital*

Mr J. drew on his extensive networks from all his educational colleagues in university and postgraduate education institutes in Egypt and the UK. In particular through his academic and work career in the UK, he had a wide range of connections with young and innovative engineers. His relationships with government agencies built through his executive career in the UK gave him access to knowledge and links that enabled him to build his new business in Africa.

5.4.3.2.3 *Networking: Resource and Process*

Mr J explained his networking procedures:

“They were probably unique because, as explained earlier, I was a frustrated intrapreneur in a company which did not appreciate my entrepreneurial ideas about going to new markets, going international and to the African continent where there were lots of opportunities.”

He had to depend on his instincts and resign himself to working in his new company initially with some of his colleagues who believed in his ability. He started the business with three colleagues, and then later on the workforce increased to ten. As the business expanded, the number of personnel increased to a 100, which they then built into a multi-national business. In six to seven years they were one of the richest companies in the world and Mr J became one of the richest people in the world on the Forbes list of billionaires. Mr J explained how networking was crucial to his company's growth and rapid internationalisation.

To Mr J networking with old colleagues as a process was an important process as well as a crucial resource. He remembers:

“... to tell the truth, I started my business in Africa by utilising my networking resources with African officials. I am very proud of the fact that I managed to work in Africa in as ‘clean’ a business environment despite its reputation for bribes and corruption.”

He required an undertaking from his Board of Directors that they not engage in bribery and corruption; according to Mr J, his company succeeded in avoiding paying bribes at least 90% of the time. He said that to do that he agreed with his nine Board Members, who were originally his colleagues, that for anybody who asks for a bribe, to embarrass them you have to just answer, “I am happy to give you the bribe, but I have to go back to my Board to be able to get approval to pay anything above £10,000”. This proved a very effective deterrent; most of the time, people were very embarrassed about going to the Board and usually they just backed off and took the £10,000 and gave his company whatever paperwork they needed to carry out their business. As far as African officials were concerned, he was offered to help develop some of the remote areas in the country instead of paying bribes. In addition the holding company offered alternative development projects to help in other service areas like education.

According to Mr J, he built a lot of very good relationships with Government officials who appreciated his style and who gave him even more work and again, we have another entrepreneur who kept explaining that networking went through a

number of stages. To start with, he depended on his colleagues; he depended on his family members, who were originally from Sudan; and he depended on his knowledge and expertise to convince people to join his firm. Therefore, he networked through his abilities and later on, through many senior and influential, political officials in order to get more business for his company.

We should take Mr J's word for the fact that his network processes did pay back. Because he was so successful and not only did he build very good business relationships with them, he has established his own educational foundation through which he is helping these countries build educational capacity. He feels that he could not have done it without the networking he had undertaken.

5.4.3.2.4 Financial Resources

The initial finance came from his personal employment income and savings. He later expanded his financial base modestly through business associate investment and ultimately by offering shares through IPOs. From simple beginnings Mr J managed to grow and position his company (MSI) into a business group of seventeen international subsidiaries and 800 employees some of whom owned 30% of the shares of the firm.

5.4.3.3 Entrepreneurial Dynamic Capabilities

This is an intrapreneur situation where an individual identifies an opportunity while working in a firm that was unresponsive to his new ideas. He remembers:

"A very frustrating experience, thanks to BT's failure to grasp the potential of new technology"

Mr J was highly proactive in taking his idea forward by investing in very risky locations like Africa. However, his acumen coupled with his willingness to accept a series of risks, prompted him to trust in his innovative capabilities to grow and sustain a highly profitable business.

The group of young communication engineers kept learning and increasing the capabilities of their innovative marketing abilities as well. This was encouraged by Mr J's leadership style of getting everybody involved in undertaking managerial responsibilities as well. These dynamic capabilities enabled him to utilise the knowledge they possessed through the continuous learning process of the different markets to mobilise their resources and thus internationalise more efficiently and rapidly.

Mr J became proactive in taking his idea forward by investing in very risky locations such as Africa that posed challenges that other established companies did not wish to take on in terms of political instability, little infrastructure and compromised business environment. Intuition and confidence in his (and his teams) innovative capacities led him to take the risk and to grow and sustain a highly profitable business. He explained:

“... if I can save 10% on the networks of the operators who spend billions on their hardware, then I was saving hundreds of millions [for the operators] and so I can now charge what I like and have greater success in imposing ‘clean’ trading conditions.”

5.4.3.4 International Entrepreneurship

This is an intrapreneur situation where an individual identifies an opportunity while working in a firm that was unresponsive to his new ideas. As described earlier, after six years of struggling to get his ideas taken seriously by his major UK employer, Mr J resigned and began the consultancy, Mobile Systems International, where he designed technical specification for different operators that reduced their hardware costs by 10%. Together with some young innovative communication engineers; he saw an opportunity to grow the company based on a strategy of new innovations to help cut costs of network operations. Later, Celtel was established as an operator rather than a consultancy (like MSI) to launch a new “clean” business (no corruption) in the African continent in the hope of exploiting new opportunities: as he explained:

“... the one place on earth where licences were available for free was Africa. Nobody wanted to go to Africa.”

The internationalisation of his firm into new markets through telecommunications expansion projects is shown in the finger print timeline of the company in Figure 5.14. It is noteworthy that Case Company J started and grew as an international entrepreneurial firm and its activities were 100% in foreign African markets.

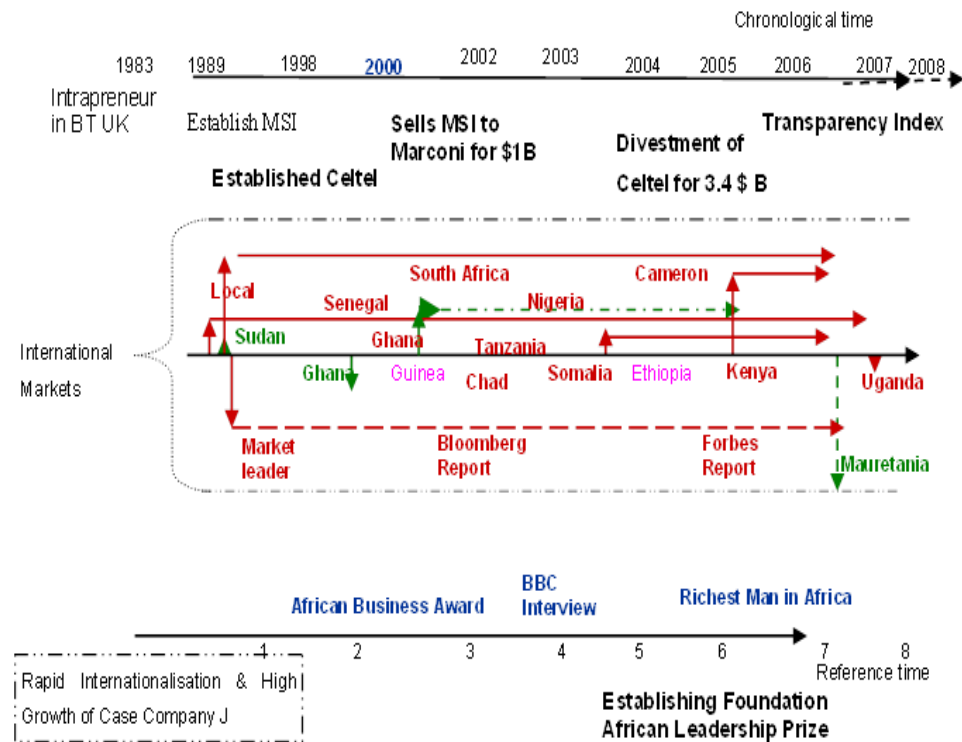


Figure 5.14: Finger print pattern of Internationalisation of Case J
Source: Author

5.4.3.5 Motivations

A true entrepreneur, who was frustrated by the lack of understanding of his superiors, motivated MI to resign and start his own business to pursue his dream. His vision to invest in Africa was the key motivating factor behind his decision to expand. He was also driven by the fact that there was no competition in the African continent, which means there was an untapped pool of opportunity for his company to exploit that led to an expansion from 7.5 million to 76.8 million users in four years.

5.4.3.6 Leadership

At a time when share offers to employees were not common practice, Mr J is proud that this was offered to all his employees. He considered his innovative managerial style to be one of the reasons that the value of MSI rose to \$916 million in 2000 when Marconi put a bid for MSI, buying the company for this evaluation price. The value of his (new) company continued to rise exponentially from \$0.5million to \$3.4 billion in four years, when MTN (South African Communications Company) offered to buy him out. His staff shared 500 million UMR B as shareholders in the company thus making 100 African employees millionaires as a result of this sell out overnight.

5.4.3.7 Entrepreneurial Team, International Diversification and Business Groups

One hundred employees of the company were essentially shareholders and partners with a stake in their company's growth and success. This reflected Mr J's distributed leadership style. According to Mr J, this distributed leadership style is based on opportunity to develop ideas and "reap the rewards" on a fair basis. They were the entrepreneurial team members who helped build this telecommunication empire as the firm diversified into new geographical and international contexts in the African Continent. They also attended to customer needs in these new African markets initiating the formation of business groups. Celtel started when the African continent had 7.5 million users of mobile phones and by the year 2004 this number had increased to 76.8 million users (an average annual increase of 58%). Everybody in Africa was using their mobile phones for trading, finance, shopping, elections, driving amongst various other uses. Thus, international diversification was the opportunity to fulfil the needs of the customers and at the same time exhibit very high growth with the help of the efficient team members.

5.4.3.8 Social Entrepreneurship

Mr J has always been a man of vision. His doctoral thesis dealt with mobile communications—in 1974. When he started his mobile-phone company, Celtel, in 1998 to work exclusively in Africa, there were just 2 million cell phones on the

continent. When he sold it seven years later, there were more than 100 million, and the company has created many jobs and infrastructure in the continent.

The Sudanese born entrepreneur never lost faith in his native Africa. He understood the enormous potential that could be unleashed by technology. Unreliable and inadequate telephone landlines had frustrated Africans' entrepreneurial abilities. While doing business in Africa, he recognized two other essential but unmet needs: good governance and responsible institutions.

In one of his speeches to young African students, he noted that while Africa is a very rich continent, it has the poorest people on earth. He blamed this state on

“a catastrophic failure of leadership and governance...too many dictators, too many megalomaniacs, too many thieves, who bled this continent for their personal and family interest.”

Mr J, who is sixty-four years old, is often hailed as a hero in Africa. His mobile-phone company, Celtel, contributed to the development of civil society across the continent, and he is now spending the money he earned to try to enhance the values and standard of living of the African people.

To pursue his vision of a better Africa, Mr J set up a foundation in his name to encourage better governance in Africa. The Foundation helped create an Index, to evaluate nations' performance: a numerical ranking of Africa's fifty-three governments. In 2007, he initiated the Foundation Prize for Achievement in African Leadership, which awards a \$5 million initial payment, and a \$200,000 annual payment for life to African heads of state who deliver security, health, education and economic development to their constituents, and democratically transfer power to their successors.

The above section has provided an in-depth within case analysis of entrepreneurial narrated case companies. These have summed up the main body of theoretically sampled case companies in order to ensure the potential for theoretical insight by helping to illuminate and extend relationships and logic among constructs (Eisenhardt and Graebner, 2007). Those case companies were chosen as they were

revelatory, extreme exemplars and also opportunities for unusual research access (Yin, 2009).

5.5 Summary

This chapter concludes by summing up the three sections of dataset compilation and case company profiles. The first section of this chapter presented findings from the constructed dataset of firms from the MENA region that demonstrated the characteristics of high growth and rapid internationalisation of the companies in the dataset. The purpose of quantitatively constructing this dataset has been an initial preparation for the qualitative analysis and discussion of the theoretically sampled case companies with their entrepreneurs and their entrepreneurial teams, which constitute the main unit of analysis in this thesis.

The second section presented company profiles of the eighteen cases selected in a tabular form to assist in further analysis and discussion of the thesis.

The third section of this chapter presented an in-depth within case analysis of entrepreneurial narrated case companies. The case companies have been sampled according to the criteria of high growth and rapidly internationalising firm's conceptual framework. These case company profiles provide a historical development of each of the case companies and an In-depth insight into their styles of management, business operation, growth and international diversification activities. The significance of these findings is to locate and identify firms from the emerging market of the MENA region that confirms the phenomena under investigation in this study. Therefore this chapter helps to empirically derive the profile of the case companies as set in the objective of this thesis, thus confirming the existence of the phenomena of high growth and rapidly internationalising firms from the emerging markets of the MENA region.

A point to note is that although in this chapter the findings from the dataset and the case company profiles included the actual entrepreneurs' background and historical development of their firms, in the ensuing chapters the companies' and the

entrepreneurs' true identities are concealed for confidentiality purposes because these chapters will discuss the entrepreneurs' views, opinions, reveal company strategies and disclose competitors and market analysis. Henceforth in the thematic analysis and discussion chapters companies will be referred to as Company A, B, C, etc. and entrepreneurs will be referred to as Mr A, Mr B, and Mr C, etc. to disguise their particulars.

By providing a narrative description and thematically analysed within case company profiles, this enables the study to prepare for the cross case analysis and discussion to be presented in Chapters Six and Seven in relation to the theoretical literature reviewed.

Chapter Six: Key Factors Associated with Rapid Internationalisation

6.1 Introduction

The purpose of this chapter is to analyse the findings in an endeavour to achieve the first objective of this thesis: namely, to explore and investigate the characteristics and behaviour of the emerging market enterprises of the MENA region as they grow fast and internationalise early and rapidly. The thesis' research questions will be addressed through a cross case thematic analysis and discussion comprised of major categories of themes as identified during the research while adhering to the working conceptual framework.

Section two addresses the research question: **Who** are the entrepreneurial actors (subjects) from the MENA region: who are the entrepreneurs, founders, family members and entrepreneurial teams? What are their perceptions and attitudes regarding internationalisation? Section three discusses the research question: **What** are the available resources and capabilities: Human (knowledge), social (networks) and financial capitals in evidence as tangible and intangible assets of the internationalising firms? Section four examines the research question: **Where** do firms internationalise to: Extent, speed and scope of Internationalisation? Section five deliberates the research question: **Why** do entrepreneurs and their respective firms internationalise: what are the motivations, triggers and environmental factors affecting high growth and rapid internationalisation. Section six presents and discusses the emergent themes from the findings. This chapter is then summarized.

Thereafter Chapter Seven will present the analysis and discussion of the last category of themes that responds to the research question of: **How** entrepreneurial and managerial processes are performed during the growth and internationalisation of emerging market enterprises from the MENA region?

6.2 Entrepreneurial Actors

The data from the case companies show that the entrepreneur's role is pivotal in identifying opportunities, enacting, evaluating and exploiting them. Therefore the internationalisation success of these companies may not have been achievable without consideration of the entrepreneurial process activities and the crucial role of these lead entrepreneurs, the CEOs and managing directors of their firms. Data presentation of the findings (sections 5.3 and 5.4) reveals the difference in their general characteristics among the entrepreneurs of each case company. However, they all share the same perception and attitude towards the value placed on the rapid internationalisation process resulting high growth of their firms. The internationalisation risk, cost, profit, potential and complexity are all factors considered by the entrepreneurs while driving their companies into new international markets. Yet they explain that calculated risk and strategic planning coupled with their entrepreneurial dynamic capabilities, enabled their firms to achieve high and rapid international growth.

Evidence from the findings emphasizes the role of the entrepreneur in the rapid internationalisation of companies from the MENA region as expressed below in excerpts from their interviews, archival data as well as participant observations.

From the archival data on Case Company D, and in an interview with Dr F.O, one of the financial experts interviewed for triangulation purposes, he describes the CEO of the company as follows:

“This lead entrepreneur [referring to CEO] who doesn't have the technical engineering educational background managed to take his father's local contracting company into one of the world's largest international construction and industrial firms. This was due to his entrepreneurial characteristics as well as being much focused, determined and having an international vision.”

This was also confirmed in an interview with CEO of Moody's (international financial services for evaluation) in the MENA region; he refers to case company I's CEO as:

“He is pivotal in the internationalisation and organisation of Case D as he is the most dedicated, hands-on person that I came across in revising this year’s (2008) IPO’s for stock market evaluations.”

Another example from archival data on CEO of Case Company K, is an article from *Al Ahram Newspaper* (2009):

“Although he is twenty-six years of age, he is a vice president of a conglomerate company enterprise with international subsidiaries in four continents. This young man has ‘perception and enthusiasm’ that allowed him to raise equity for a \$600m petrochemical project, thus undertaking the production of propylene and polypropylene (the primary raw materials used in the manufacture of fibres to make rugs).”

The Economist Intelligent Unit head for the MENA region section attributes the great success in creating new companies internationally to the charismatic persona and the trust that the entrepreneur of Case Company A conveys to people.

Archival Data on Case Company F contains an article from *Al Khaleej News Newspaper* (2006): The article discusses the multitasking abilities of the CEO of Case Company F and the expertise in international enterprising together with the networking approach that is at the heart of his business success. It also stresses the fact that he has the flair for acquiring expertise and talented personal.

Participant observation of CEO of Case Company G, confirmed by an interview with Mr TF (financial expert), he reveals:

“What originally began as a small local company initiated by a young Qatari with a modest start-up capital has become a worldwide multi-million dollar enterprise with an extensive range of business activities due to the vision and dedication of the lead entrepreneur which influenced his decision-making while balancing competition and corporate social responsibility.”

The empirical evidence is in agreement with the IE literature as Oviatt and McDougal (2005) were the first to acknowledge the role of the entrepreneurial actor as a mediating force crucial to the discovery and enactment of an opportunity, and it recognises that the entrepreneur is central to the dynamics of international opportunity exploitations (Oviatt, Shrader and McDougal, 2004). IE literature emphasis how entrepreneurs “with their own personal business characteristics and psychological traits,” observe and interpret the potential of the opportunity, together

with the importance of communication and advances in technology, to enable internationalisation and the degree of threat from competitors (Oviatt, Shrader and McDougal, 2004: 542).

Oviatt and McDougal (2005) argue that without the entrepreneur as an actor, none of the enabling forces of technology, competition, knowledge and networks could help drive the organisation to internationalise in different markets. The evidence from this study strongly supports Oviatt and McDougal's (2005) argument. Examples highlighting this theoretical view point are indicated by interviews and a number of archival data referring to CEOs of OI, OT and DP; they explain how even though some of these lead entrepreneurs might not have the necessary technical background, they still manage to motivate, drive and lead their companies to international success. Furthermore, in the authors interview with the international financial institution Moody's they confirm that some of the CEOs of the companies they evaluated, were "pivotal" in the internationalisation and organisation of their firms as they are most "dedicated, hands-on individual" (Interview with the head of Moody's, MENA region).

6.2.1 Family Business Role in Internationalisation

This section elaborates on the entrepreneurial actors; it portrays who these entrepreneurs are. The empirical evidence from the case studies confirms what the quantitative preparation had previously disclosed regarding the large number of family businesses (Table 5.2), being the dominant structure of the HGRI firms, even after having share offerings in stock markets. MENA families usually hold majority shareholdings in their companies after they go public. What is interesting in the role played by the families, as revealed in this study, is the development of an international mentality across generations.

Empirical evidence from data analysis yielded three categories of entrepreneurial actors: founding entrepreneurs, second-generation family members and intrapreneurs. Table 6.1 presents the theme of the **Who** are the entrepreneurial actors (subjects) from the MENA region as analysed cross cases of the thesis.

Of the eighteen cases included in the study, fourteen come from family businesses. Cases A, B, E, G I, N and Q are founding entrepreneurs yet they belong to family businesses. Cases C, D, K, L, M, O and R are second-generation family members who internationalised as they took over running the family businesses. Cases F and J are intrapreneurs, who used to work for big corporations, yet they were motivated by international opportunities to start their own multinational companies. Even Case Company X, the unsuccessful entrepreneur, is another family business.

Detailed Issue/Trend/Theme	Case Demonstrating Theme	Description
Who are the entrepreneurial actors (subjects) from the MENA region: who are the entrepreneurs, founders, family members?	Cases A, B, E, G and I	Founding entrepreneurs
	Cases C, D, K, L, M and R	Second-generation family members
	Cases F and J	Intrapreneurs
	Case X	Unsuccessful entrepreneur

Table 6.1: Who are the entrepreneurial actors?
Source: Author

Findings revealed that some family members developed an international mentality across generations. For example some of the founding entrepreneurs and second generations' families in Egypt experienced a significant period of self-imposed exile during the years of the Nasser regime from the 1950s to the early 1970s. Though not forced out, the conditions they were required to meet were intolerable. Their former businesses were sequestrated and they were forced to accept jobs as employees in their former companies. Some individuals were able to start new businesses abroad (e.g. family case D who started a new contracting business in two neighbouring countries, Libya and Saudi Arabia, and case F though formerly a landowner, was able to use his hobby of collecting art to start an antique business in Paris). Others did not have the capital to start a business, so they worked abroad (for example Case K became a well established bank employee in the UK). These experiences abroad exposed the founding families to new contacts, networks and resources outside Egypt and helped form new international networks, which they used when they re-established their businesses on their return to Egypt in the 1970s and 1980s. For

example Cases A, B, C and D became agents to multinational firms (in areas such as cars, real estate, pharmaceutical, clothes and textiles) who wished to take advantage of liberalising conditions to establish themselves in the Egyptian market. They essentially became facilitators for outside businesses that were underpinned by a lack of supply in conditions of growing demand following liberalisation of the economy. At this stage there was little innovation in their activities.

Even those who remained behind (Case Companies C and E) and were not directly exposed to an experience of living in exile abroad, still accrued significant international networks through their friendships with previous international entrepreneurial families (especially Greeks and Italians) who used to live and thrive in Egypt in the pre-Nasser era. Once the economy started to improve these entrepreneurial foreign families decided to re-enter the Egyptian market and contacted their former friends to facilitate this. For example, Case Company C is an excellent example of a growing strategic alliance between the Egyptian family and an Italian one whom they formerly knew in the pre Nasser era. The Italian family first asked Case Company C to become agents for their electric cables and products manufactured in Italy to sell them in Egypt. This progressed into a joint venture in which both families started to manufacture these cables in Egypt. This grew further when they decided to set up international outlets from the Egyptian factories abroad. Initially outlets were established in three countries but eventually the number reached twenty-two.

Another source of valuable networks was the Egyptian families themselves, who shared a bond of adversity and who as times got better and became more influential, were able to assist each other in supporting business expansion. Such help was not necessarily confined to the business domain itself, but could include opening access to family members who were now in influential positions in Government. For example the son of Case M became a member of the Egyptian parliament and cabinet and he was able to help a number of the other families to resolve problems. By the time of the study seven of the eight families had at least one family member who was an MP or a Government Minister.

The findings are in agreement with the literature as most businesses in emerging countries tend to involve families rather than single entrepreneurs and many of the larger ones are business groups (Rosa and Iacobucci, 2010). Many of the larger family business members in emerging countries are well travelled, especially in western countries where children may be sent for secondary schooling and University education in business. Some families may have experienced periods of exile from unfriendly regimes in the past. Some will have family members who have left to explore opportunities abroad; the Diaspora effect is very strong in developing countries (Mahajan, 2008). Most families thus will have had at least some family members who have expanded their awareness of international opportunities through travel.

Zahra (2003) and Casillas and Acedo (2005) explored the internationalisation of US and Spanish family business. However the internationalisation process of family business from emerging markets remains largely unexplored. Findings from this research extend the literature of internationalisation of firms from emerging markets and explore the family business dimension. In developing countries importing is a very common phenomenon, as most goods are not manufactured in the country. Those that do manufacture are also not necessarily going to sell abroad directly. Passive exporting is still a strong tradition, with traders importing and exporting rather than the manufacturing businesses themselves. Many family businesses thus have family members who have developed links with trading contacts abroad either through importing or passive exporting. This adds awareness of international opportunities.

Families also expand the resources available to access international opportunities. This is not just a case of having greater joint financial reserves and assets, but a question of having expanded networks that can be accessed. Some of the most influential networks arise through marriage between members of different business families.

Having an extended pool of family members also increases the diversity of strategic possibilities and options that can be adopted to internationalise successfully. Particularly intriguing amongst these may be the reduction of risk by strategically

placing family members in different countries to carry out all aspects of the internationalisation process rather than having to rely on foreign partners. On the negative side families may also inhibit internationalisation through being very risk averse, and preventing entrepreneurial initiative of individuals. Conflicts, like in all family businesses, can be detrimental and de-motivating. The second-generation challenges to internationalise the family business is discussed in the following section.

6.2.2 Second-generation Mind-sets

The first generation of some of the families, Case Companies A, C, D, E, K, M and R managed to restart their businesses through the use of networks acquired abroad. However, the businesses were not very innovative nor tended to expand fast. Having experienced adversity they tended to be cautious and prudent. Their use of networks was dominated as much by the need to minimise risk through partnerships, as to mobilise resources for rapid growth. This cautious streak was not present in the second generations' behaviour. Their sons (no daughters were involved in these cases), were mostly brought up and educated abroad in their country of exile, and their parents, were ambitious in sending them to the best schools and universities they could afford. For example, Case Companies A, B, D and F sent their children to leading Universities in Switzerland, UK, France, Germany and the USA. They acquired through this education not only modern knowledge of business practices but also important networks from their peers. They entered their parents' businesses with the confidence of their parents' success, and a spirit of adventure that was vigorous and hungry for success.

They tended not to be content with joining the family business, but to embark on ambitious new ventures of their own in which overall family resources were mobilised to support them, but which were very much their own personal initiatives. For example, in Case Company A (more details in the Appendix B), the first son, educated in Switzerland, decided to start the first telecommunications firm in Egypt despite the disapproval of his father who was in a safe stable local contracting business. The son, despite his father's scepticism, managed to convince his friends and junior members of other families to invest in his business. This was so successful

that he became Egypt's leading telecommunication provider within two years. He then embarked on a strategy of expansion into neighbouring countries also assisted by contacts there. The other two sons each similarly developed their own branch within the family firm exploiting new and innovative opportunities both locally and internationally in the holiday resort business and cement production. In Case Company D, the family sons launched new diversifications in high technology, supermarkets and advertising agencies.

In the international business literature small (usually family) firms are found to internationalise their business after consolidating their position in their domestic markets (Graves and Thomas 2006, 2008). However in the case of the fast growth MENA family businesses just mentioned, the second generation's involvement in the businesses triggered rapid internationalisation motivated by international opportunities in areas often not connected with the domestic markets of the family business. This was only possible because of the new vision of the second generation developed through education abroad and a diversity of networks to facilitate their ventures. It should also be noted that in all the cases the expansion was not performance driven but entrepreneurially driven.

There is evidence in the internationalisation literature that firms' internationalisation may be triggered by certain incidents that can lead to rapid international expansion (Bell *et al.*, 2001). These incidents could be the second generations' involvement effect on a family business. Activities associated with international entrepreneurship that may help family firms succeed into the next generation include creating new products and services, reaching new markets, and internationalising operations and sales (Sharma *et al.*, 1997). IE literature also emphasises how entrepreneurs "with their own personal business characteristics and psychological traits," observe and interpret the potential of the opportunity, together with the importance of communication and advances in technology to enable internationalisation and the degree of threat from competitors (Oviatt, Shrader and McDougal, 2004: 542).

6.2.3 Entrepreneur's Influence on Firms' Internationalisation

Schumpeter (1934) focused on the entrepreneurial function and not on the entrepreneur as a person. Here the entrepreneur is defined as an individual who is carrying out entrepreneurial actions. According to this definition the formal position of the entrepreneur is unimportant. He can be the establisher of a firm, a manager, an owner, or a family member. Schumpeter's definition is still fresh and widely accepted (Andresson, 2000). Schumpeter's entrepreneurial concept is broader than many later concepts. It not only includes the introduction of new products, but also of new production methods, the opening of new markets, the conquests of new sources of supply and raw materials, and the reorganization of an industry (Schumpeter, 1934: 66). Schumpeter emphasized acting as an important criterion for entrepreneurs. Because of the entrepreneur's interest in action, his vision dominates rational calculations (Collins and Moore, 1964; Hyrenius, 1983). The necessary ability to act and access to resources, including know-how, are more extensive than those possessed by one entrepreneur. Personal networks (Christenson *et al.*, 1991; Johannisson, 1994) are an important means for obtaining these resources. Finally, entrepreneurial acting has to be conducted in the right environment in order to succeed (Dahmen, 1995). Resources, capabilities and environmental factors influencing the internationalisation processes will be elaborated in greater detail in Sections 6.2 and 6.3.

This Research emphasizes the importance of the individual's interpretation of the firm and its environment (Weick, 1969). The entrepreneur is influenced by his environment, but he also influences his environment through the processes he creates. The entrepreneurs from the MENA region can be used to understand firms' international behaviour, which is valuable in itself.

However, identifying the ways in which entrepreneurs influence firms' international behaviour can be even more useful. Due to the exploratory qualitative nature of this research, the focus of theories and models on generalizations that suit "all" firms is not possible as there are few constants in the international market places and each case study is unique in its experiences. However, a better approach is to find categories of firms that behave in similar ways and to create "middle-range" concepts

and theories (Strandskov, 1993). Different entrepreneurs influence international behaviour in different directions. The empirical findings reveal four classifications of firms' international behaviour. These classifications are the result of the entrepreneurs' perception and attitudes regarding internationalisation, which in turn

Detailed Issue/trend/theme	Case Demonstrating theme	Description
Perceptions and attitudes of entrepreneurs regarding internationalisation.	Cases F, I and J	Born Global
	Cases A and L	Internationalised within 1-2 years from inception
	Cases B, E, G, K and X	Internationalised after more than 5 years from local establishment and success
	Cases C, D, M and R	Internationalisation driven by family challenge

Table 6.2: Entrepreneurs' Attitudes to Internationalisation
Source : Author

influence firms' international behaviour. Table 6.2 presents the different entrepreneurs' attitudes regarding internationalisation. These classifications are expressed in four forms of firms' internationalisation: "Born Global"; internationalised within one to two years from inception; internationalised after more than five years from local establishment and success; and internationalisation driven by family challenge.

6.2.3.1 "Born Globals" and the Entrepreneur's Industrial Wisdom

The "born global" firms, as exhibited by Case Companies F, I and J (where the entrepreneurs perception towards internationalisation), were to create this process as the firms' strategy from inception. So their firms were established to start business, develop and compete internationally in foreign markets. Case F's entrepreneur was aware of the existing demand in international markets for ports and marine operators; he was strong enough to enact the international opportunity, which presented itself due to his confidence in assessing the calculated risk of this industry. His perception towards internationalisation coupled with his proactive nature enabled him to create a

multinational company that managed to position itself as one of the five largest marine conglomerates within five years from establishment.

Similar innovative behaviour was exhibited by Case Company J's entrepreneur who believed in the international opportunities presented by Africa despite of all the warnings he received. He launched his born global telecommunication firm to operate from inception in foreign markets. His strong belief and perception of the internationalisation process positioned his firm to be one of Forbes' largest industry corporations within four years from start of business in the African market. Case Company I's entrepreneur exhibited similar patterns of attitudes towards internationalisation as he initiated his firm to operate only in foreign markets.

The individual level was compared with the firm and industry ones. Industry wisdom (Grinyer and Spender, 1979) and corporate culture are important concepts, especially in understanding stability and incremental change. The entrepreneur provides a more adequate explanation for major changes. This study shows that a strong individual can act contrary to industrial wisdom. Case company F, the dominant player in the marine operations, developed industrial wisdom in this industry. Proactive, innovative and acceptance of risks confirmed the entrepreneurial attitude and perception exhibited by the three case studies toward the rapid internationalisation process adopted by these firms. This behaviour exhibited by the entrepreneurs, positioned their firms to be industrial leaders due to their high international growth.

6.2.3.2 Internationalised within One to Two Years from Inception:

Both Case Companies A and L were interested in the rapid internationalisation of their companies. The entrepreneur in each company saw an international potential for the company's services and wanted to secure foreign market shares before competitors could copy them. The marketing concept was built on the ability to be close to the end customers, and the right distribution channels were important for success. Although advised to proceed cautiously (with, for example, a local distributor), each entrepreneur began directly with sales subsidiaries. Within a short period in the early 1990s, Case Company K established its own sales subsidiaries in the MENA markets. In the 2000s, the internationalisation processes into African

markets were so profitable, and the company had launched development schemes in the new East European companies. Internationalisation was so rapid and constituted the major source of sales and high performance of Case Company L; such that the entrepreneur's positive perception of the process became the adopted strategy in the company. Similarly Case Company A launched its first internationalisation development into Algeria in early 2000 to take advantage of the first comer into an underdeveloped market with no competition. By 2005, Case Company A had 80% of its sales in foreign markets, as its entrepreneur was so motivated by his positive perception of the internationalisation process he created for his company to achieve rapid high international growth.

6.2.3.3 Internationalised After More Than Five Years from Local Establishment and Success

Case Companies B, E, G, K and X established their local businesses first and later after at least five years of home country success, they embarked on different internationalisation processes schemes. The entrepreneurs' intentions and persistence in carrying out different strategies are decisive for the firms' internationalisation. Case Company B's strong push for technical improvement of pharmaceuticals led to his assigning large amounts of resources to technological development. When Case Company E introduced new town development in remote areas, transferring a technology developed for tourism to a completely different arena, he created a new combination in an entrepreneurial way (Schumpeter, 1934, 1949). Not all Case Company B's innovations were successful, but B's technical interest strongly influenced the company's many projects in product development. His view of business was not market driven but based on the firm's technical competence (Prahalad and Hamel, 1990). Because Case Company B's early internationalisation was not planned, it took place slowly; few resources were allocated to internationalisation.

Similar attitude towards internationalisation guided both Case Companies G and K as they internationalised after achieving high growth in their home countries. Then they had positive perceptions of internationalisation that lead the two companies to change their growth strategy and launch their development projects in new foreign markets.

Both companies experienced successful rapid internationalisation processes through their new markets despite their late starts.

As for Case Company X, it started internationalisation also after achieving high successful growth in its local market. However, Case Company X was not successful in its internationalisation process due to a number of reasons in choice of market, leadership and entrepreneurial teams sections in Chapter Seven. Case Company X's entrepreneur had a positive perception of internationalisation processes, in spite of his company's unsuccessful achievements as he realised that there were other factors that had effects on the process that were not considered by him as he led his firm to new foreign markets.

6.2.3.4 Internationalisation Driven by Family Challenge

Case Companies C, D, M and R were all second generations' family members who took over their parents' business and immediately internationalised thus changing strategy and corporate culture. In doing so they were driven by the challenge to prove themselves to their families and their belief that internationalisation was the best strategy suited to take their businesses forward. Cases C and D faced great resistance from their families and the management teams operating the businesses. However their perception of the internationalisation strategy coupled with their innovative and proactive decisions enabled them to lead their business to be world renowned in the cable and construction industries respectively.

Case Companies M and R had different experiences, as they were many brothers and each one was interested to internationalise in a different industry. The drive to challenge the family's regular line of business enabled the sons to innovate in new industries as they internationalised into new foreign markets. One of the sons started an agro clean industry, where he specifically started cultivating desert land to produce agro clean vegetables and fruits for foreign markets only. This was a completely new strategy that he adopted as his attitude towards internationalisation was so positive such that he initiated and developed a new industry. Similarly other brothers established new industries in tourism, medical, optics, steel bars and ceramic

tiles; all for internationalisation purposes. Their positive perception of the internationalisation processes influenced their firm's strategy and choice of industry.

Entrepreneurs can change strategy and corporate culture. When D arrived at Case Company D in 1998, it was a conservative local contractor company. After a couple of years, the company had become a conglomerate with a turnover increased by seven times and activities in many different industries in different parts of the world. D introduced a more financial view of management and stressed the importance of change. D's impact on Case Company D's development shows that individuals are important for understanding the development of small organizations and new industries. His actions illustrate the injunctions of Hamel and Prahalad (1989) to think in new ways and not to be locked in old industry structures: "The strategist's goal is not to find a niche within the existing industry space but to create new space that is uniquely suited to the company's own strengths, space that is off the map" (Hamel and Prahalad, 1989: 73).

Some might argue that restructuring an industry is not an entrepreneurial act, but if we use Schumpeter's (1934) definition, this is one of his examples of entrepreneurial combinations. As Stopford and Baden-Fuller (1994) showed, entrepreneurial change is also possible in mature industries, but in their study change was rather slow and incremental and they could not identify single individuals as important. Change was a process that depended on many individuals. In Case Company C, change was rapid and Mr C 2 was an important actor. This is in line with Aharoni (1966), who stressed the importance of a strong initiating force triggering an organization to make foreign investments, and corroborative research about the importance of individuals in rapid strategic change (Brandes and Brege, 1993).

6.2.3.5 Entrepreneurs' Classification

This research agrees with Andresson's (2000) classification of entrepreneurs to categorize firms' internationalisation processes. Andresson began with Schumpeter's (1934) classification of new combinations to identify the types of entrepreneurs and which international patterns can be perceived in firms with those different types.

Comparing Schumpeter's (1934) classification with the empirical findings, three types of entrepreneurs are distinguished. Those that carry out actions in accordance with technical innovations, such as new products, parts of products, or new production technology can be called technical entrepreneurs (Cases Companies B, C, F and I). Entrepreneurs acting in accordance with carrying out of the new organization industry can be called structure entrepreneurs (Case Companies D, K, M and R). Entrepreneurs that open up new markets can be called marketing entrepreneurs (Case Companies A and J). The marketing entrepreneur can also be innovative in ways other than those mentioned by Schumpeter: for example, employing new marketing methods, such as new distribution methods, in new markets (Molleryd, 1997) and adopting new business models. The different types of entrepreneurs will choose different strategies for their companies. The different strategies give rise to different internationalisation decisions regarding entry modes and market choice. The entrepreneurs influence the allocation of resources in their firms and direct resources into areas in which they themselves have a great interest and knowledge. The resources and capabilities of entrepreneurs and their respective firms are discussed in detail in the subsequent section.

6.3 Resources and Capabilities

In this section, the thesis addresses the research question: **What** are the resources and capabilities: Human (knowledge), social (networks) and financial capital available as tangible and intangible assets of the internationalising firms? With regard to the capabilities, it is noteworthy that all case company entrepreneurs, including the unsuccessful one of Case Company X, pose entrepreneurial capabilities of being innovative, proactive and risk-taking. These capabilities will be discussed as well to emphasize the core competencies of the case companies whilst analysing the tangible and intangible assets of the internationalising firms. However, the dynamic capabilities of the case companies will be further elaborated in Chapter Seven, to explain their role in the entrepreneurial and managerial processes of the internationalising firms. The firm's tangible resources are analysed in terms of financial, physical and technology resources. While the firm's intangible resources are expressed in terms of human capital of knowledge, know-how; as well as social

capital of relational and network resources. In the subsequent sections the study analyses and discusses the human, social and financial capitals respectively.

6.3.1 Human Capital Knowledge

The international growth of the case companies in this study happened very rapidly. Analysis of the case companies revealed the heavy reliance on the lead entrepreneur's deep knowledge of the industry and international markets. Analysis also disclosed the firm's confidence in the knowledge that was deliberately accessed and resourced by means of strategically recruiting people. Nearly all firms in these study headhunted new managers with both deep technical knowledge and strategic management experience in their industrial sectors. The only exception was when the founder/entrepreneur's own knowledge and qualifications were sufficient for the internationalisation process. Additionally, Case Companies formed business relationships that would fill gaps identified in industry or new markets.

Most principal founders of case companies that internationalised successfully received education abroad and had language proficiency as indicated in Table 5.2. They had entrepreneurial and management competence that led to their HGRI as illustrated in Table 5.12. Their international experience and experimental or tacit knowledge acquired during their personal development and work exposure played an important role in their deep knowledge of new international markets and the industry they invested in.

Empirical evidence presents examples of the importance of knowledge as an intangible resource of human capital. Case Companies A, B, D, E, I, J, K, L, M and X received foreign education in their home countries as children. Later they attained undergraduate education in Western countries like the USA, UK, Germany and France. Some lead entrepreneurs had further post graduate degrees in similar Western countries. This Western exposure gave the lead entrepreneurs the ammunition of information and the awareness of possible new business opportunities. The international exposure enabled the lead entrepreneurs to challenge existing business models and emulate what they had learnt in other operational industries and cultures.

As for the other case companies, where their entrepreneurs did not receive international education or training in the West; each case had a different experience. Case Company G's entrepreneur had humble beginnings; he did not have an international education, but he had the talent of getting a number of international experts to help him with whatever project he wanted to start. For example one of his latest projects involved starting a Marine Museum. He recruited people who were highly experienced in marine exhibitions and he devoted a great deal of time to learning and mastering this project. Later on, he also got experienced personnel who operationalized the museum. As for Case Company C, both brothers complemented each other in their education in order to take over their father's business which was an electric cable production: one of them studied engineering whilst the other studied commerce. So, from the very beginning they were heading towards running the family business. They also recruited many people with a lot of international experience, to strengthen their own international exposure. They built and drew on their connections in different Arab worlds and they eventually utilised the resources of their managerial competences and their international experiences, and also learning from others. So, it was these three factors together that helped them to build this human capital resource.

As for Case Company F's entrepreneur, he knew that he did not have the expertise to start his business in marine operations. So, he recruited every single person who was known to be an expert in this business and made it into a very successful one. So, his human capital was in identifying people with international backgrounds and international experience who were educated abroad and who had worked in marine operations. Of course, he was very competent managerially and this is why he managed to gather all these people and managed them, to take the company forward. So, those entrepreneurs depended on international expertise and recruited experts and professionals to be able to take their business forward across foreign markets.

This research agrees with Bell *et al.* (2003) who proposed that the differences in the complexity and sophistication of knowledge used in a firm explain their speed of internationalisation. For example, Case Company R had a successful engineer as its founder and lead entrepreneur who was not educated abroad. However, this man has

never stopped widening his scope of knowledge and breadth of education. So, if he wanted to start a factory in steel, he acquired knowledge about building a factory, initiating it, running its operations and attended a mini MBA to know how to do the financing and budgeting for the project. When he wanted to offer his shares on the market, he studied the stock markets and how he could maximize his profits from these kinds of transactions. Case Company R's entrepreneur was a person who depended heavily on his entrepreneurial team. He recruited many of his staff members with international experience and an international background. They in turn recruited other people who knew about international markets that helped the company develop business in different international markets competently and efficiently.

Evidence from findings supported Oviatt and McDougal's (2005) explanation of how the knowledge intensity can moderate the firm's internationalisation process. Additionally, findings also confirmed their conception that "a company that uses complex knowledge to design a new product, an improved production method and more efficient service delivery" (Oviatt and McDougal, 2005: 543) is likely to exhibit accelerated internationalisation as it has a unique substantial competitive advantage that may be in demand in other countries. The need to acquire foreign market knowledge and the importance of organisational learning for entering or expanding into international markets has been recognised by all case companies in this study. Examples from other case companies confirm this concept further.

Participant Observation of Case Company L reveals that one of L's CEOs, who started modestly managed to grow his business into an international multi-million dollar enterprise because he surrounded himself with a group of highly qualified professionals who acquired knowledge and expertise in different aspects of his international business empire.

In an interview with Case Company E, its entrepreneur/CEO believes that:

"Had it not been for my knowledgeable colleagues who believed in my vision I would have not managed to build seven five star hotels and eight four star hotels including 100s of restaurants, schools, hospitals, churches and mosques in order to develop the very first town resort on the Red Sea."

A participant observation from Case Company M notes:

“Due to one of M’s brother’s political obligations, he surrounds himself with highly qualified engineers and managers who ran the tourism businesses with precision and high efficiency. This he attributes to their technical knowledge and strategic management experience. “

Another participant observation from Case Company I revealed how I’s entrepreneur was rescued from imprisonment and was offered an opportunity due to his knowledge and qualifications. His skill sets which were developed through his technical and industrial training rescued him from an uncertain future into a new world of continuous high achievements.

6.3.1.1 Sources of Knowledge

Evidence from the findings indicates that the firms’ sources of new knowledge were a combination of internal experiential and externally acquired knowledge. The educational knowledge of the entrepreneurs and the entrepreneurial team members’ of the case companies has been crucial in identifying market knowledge, product/service knowledge as well as internationalisation knowledge. New knowledge was acquired internally from individuals and groups within the firm, for example, creating cross-functional project groups, built on entrepreneurs’ prior expertise in overseas markets. All firms combined these internal sources with external knowledge sources from the western, eastern and African countries such as suppliers, competitors, customers, local community, government sources, published reports, partnerships and the recruitment of new employees with knowledge and experience.

Combining internal and external knowledge sources was the most common knowledge source. There were some occasions where firms used only external sources of new knowledge and there were very few occasions when firms only used internal, experiential sources of new knowledge. There were three types of knowledge: market knowledge, internationalisation knowledge and technical knowledge (product/service knowledge). Examples from the case companies and how they acquired the three types of knowledge are illustrated below.

6.3.1.2 Market Knowledge

Most firms used both internal experiential and external sources to acquire market knowledge. The start-up firms were most concerned with acquiring new market knowledge from both internal and external sources. They combined experiential market knowledge from operating in and visiting overseas markets, with external expertise by recruiting sales and marketing staff, accessing government support and overseas networks, consultants and other advisers and published sources.

The firms were involved in acquiring both *business and institutional market knowledge* that they used to enter the markets and develop marketing and sales approaches. For example, Case Companies A, B, C and D required knowledge of potential institutions to develop relationships in the different countries and knowledge of overseas government agencies. This was mainly provided by the lead entrepreneur, the CEOs of the firms and at a later stage by the entrepreneurial management team. However as the firm expanded, more entrepreneurial team members were recruited and trained to gather this market knowledge, develop and manage overseas relationships.

Case Company J acquired market knowledge of the international telecommunication market and specific knowledge about the industry in the UK as well as other emerging markets. An outcome of its research during their learning investigation was the decision to enter the African market as consultants rather than directly investing in the new markets. It acquired knowledge about potential partners and gathered further market knowledge from the local associates that were chosen carefully. This market knowledge was used to develop specific sales and marketing aspects of the product for a number of the African countries, as the service had previously been developed using UK market knowledge. This process would be used to develop sales and marketing aspects for other international markets. Case Company M developed the product based on market knowledge of UK consumers. It used food products importers like large chain super markets Tesco and MandS to service the UK market and acquired knowledge about their marketing activities to support their firm.

6.3.1.3 Internationalisation Knowledge

The most frequent area of new knowledge for most firms was found to be internationalisation knowledge. This includes knowledge of functions, technology and market entry mode as well as development methods. It was found that all firms were concerned with acquiring new knowledge about international management structures, whereby domestic and overseas managers became involved in decision-making within the firms.

The internationalisation knowledge required by the firms was concerned with how to manage partnerships. Case Company D recognised that it would require restructuring to continue its growth. The company was concerned with developing the organisation structure and business model to recruit local associates to become part of the company as providers. This required forming the new company, establishing payment terms, establishing availability of possible government or private associates that could be accessing and developing local relationship and new business opportunities. This was a key component in establishing the new firm and implementing its overseas expansion strategy.

Case Company B acquired internationalisation knowledge on how to establish its US overseas operation partnership. The company learnt about the process of managing the relationship and sales processes. In addition, legal aspects of setting up the partnership and product liability issues were important. In order to establish overseas manufacturing capabilities, B acquired knowledge about western cultures and how to manage its overseas partnerships.

Other areas of new internationalisation knowledge acquired included developing overseas sales and marketing processes, project management, proposals tracking, and franchising models. These were dependent on the specific growth and performance issues identified by each firm. After a period of expansion, I and F experienced under-performance in some areas of business management, sales and profitability performance. To improve its sales and marketing performance R focused on developing management processes to support its sales efforts company wide. Case K focused on project management to improve the performance of its overseas

operations. Case I had taken longer to establish its overseas operations than planned, due to longer time required with customers to explain the technology. This contributed to the sales underperformance of its operations. Low sales and profit performance resulted in it turning its attention to increasing its internationalisation knowledge of management structure, project management, and information systems development to improve its efficiency.

After a previous period of expansion, B turned its attention to brand development to continue its growth. To support sales efforts, K and L identified new internet and online design as important area where new internationalisation knowledge was required. This was triggered by consultancy reports produced by Mackenzie recommending changes. After opening its US subsidiary, Case Company D continued its growth by turning its focus to expansion in existing overseas markets where new internationalisation knowledge was required to support the creation of franchising systems, improved brand profile, and overseas sales efforts.

6.3.1.4 Technical (Product/Service) Knowledge

Two Case Companies C and J were involved in developing new innovative products to launch the new venture. Case Company G on the other hand, did not need new product knowledge as it developed its range of local products and services internationally. Product development was not a major area of new knowledge required by the firm to develop the business internationally. Both companies C and J developed the new products based on African market knowledge. C had the technology skills and expertise from its main business and acquired product knowledge working closely with an associate who had the British educational background to develop the product.

Case Company J, on the other hand, researched consumers' preferences in the different African countries and acquired technology knowledge from industry networks in the UK to develop the product and design and manufacturing expertise from its suppliers in the Far East. The company acquired knowledge about IT applications to develop the product. Knowledge of intellectual property (IP) to protect the product ideas from being copied in the developing countries was collected

from publications and by observing competitor practices in the Far East and China when the members of the company visited these markets.

The firms acquired product knowledge to develop new products based on integrating market knowledge with technical expertise. Case B developed the new product in collaboration with its US customer then adapted it for the UK, based on acquiring both US and UK market knowledge. Combining both resulted in B developing a world-wide strategy to provide product “add-ons” and different sales messages to different world regions. It realised that new market and product knowledge would be required. Company R used electronic technology to integrate new applications into its steel bars industry. The firm realised it would require more knowledge of the latest techniques of casting and milling to grow the firm. They planned to recruit professional staff with high technical knowledge to fulfil this area. The knowledge it acquired to protect its ideas influenced its strategy of continual innovation to reduce the impact of ideas being copied. This knowledge influenced its international growth strategy to target new European markets.

In conclusion, firms developed strategies to increase their international growth and acquire competitive advantage from the new knowledge gained. Case Company K changed its strategy to recruit strategic partners which added value of increased scale to both partners. Case Company L identified the Middle and Far East as potential markets and developed a model of product adaptation and targeted sales messages to serve worldwide markets. Case Company C devised a strategy of continuous innovation to maintain the added value of its products.

Findings from this research agrees with Eriksson *et al.*'s (1997) types of market specific knowledge: the foreign business knowledge which is related to clients and competitive situations in specific markets, and the foreign institutional knowledge which is concerned with the institutional framework of a specific country, its rules, norms, and values. Evidence from this study also confirms the another type of knowledge, internationalisation knowledge, defined by Eriksson *et al.*, (1997) as “firm’s capability and resources to engage in international operations” (Eriksson *et al.*, 1997: 343). This suggests that it is not related to any specific country market, but

rather a firm-specific experience relevant to all markets; it includes knowledge of how to organize and manage internationalisation efforts.

On the other hand, evidence also agrees with the IE literature, which emphasised technological knowledge along with market knowledge (Bell *et al.*, 2003; Oviatt and McDougall 2005). Knowledge intensity, defined “as the extent to which a firm depends on the knowledge inherent in its activities and outputs as a source of competitive advantage”, is considered as a trigger for early and rapid internationalisation given its inherent mobility (Autio *et al.*, 2000: 913). Technological knowledge is not only considered a trigger, but also an important outcome of the internationalisation process of INV firms (Zahra *et al.*, 2000).

In conclusion, the case companies combined internal experiential and external sources of new knowledge to acquire new market, internationalisation and technical knowledge. Firms assimilated this knowledge by sharing it with all entrepreneurial team members, directors, managers, sales, technician and support staff. The internationalisation knowledge acquired by the firms involved learning how to set up and manage various partnerships. Case Companies acquired in-depth knowledge of partners and sharing market expertise with them. The firms provided partners with assistance where required to support sales and marketing activities through training and workshops. Finally, it is postulated that acquiring technological and marketing knowledge through international expansion would be of great importance to firms from emerging markets.

Social learning has also been investigated in studies of the internationalisation-performance relationship (Hsu and Pereira, 2008). Its conceptualisation, however, did not capture the ability to build and manage relationships, but rather referred to using networks to acquire market knowledge; thus, networks were conceived as a source of knowledge. Social capital and networks of case companies are analysed and discussed in the next section.

6.3.2 Social Capital: Networks

Social capital is described as sets of resources embedded in relationships (Burt, 1992). The analysis and discussion of the social network supports Anderson and

Jack's (2002), notion of a resource that fits neatly with the concept of entrepreneurial networks because although entrepreneurship is a creative process, it operates in constrained circumstances. They explain that one way to overcome some of the constraints the entrepreneur may face is to acquire knowledge and resources by tapping into an extended pool, which exists outside the business. This network of resources and information may represent and offer a rich source of explicit and implicit knowledge, experience and privileged access to physical resources (Anderson and Jack, 2002). Networks are considered both, a firm's resource as well as a process that facilitates firms' rapid internationalisation and high growth. In this chapter networks as firm resources are analysed and discussed. Networking as a dynamic process that support the rapid internationalisation of case companies of this research is discussed in Chapter Seven.

Networks of relationships were fundamental to the development in all businesses as currently found in all case companies in this study. These networks were developed in previous business activities or educational backgrounds but in each case a proactive approach to develop further new networks was evident. Some companies used family networks, others used educational background networks, a third group of entrepreneurs used political networks and some entrepreneurs used customer ties. The most important set of networks as revealed by the findings were internal networks, meaning entrepreneurs networking with their own employees and staff members to produce intra-entrepreneurs with new ideas to identify, enact, evaluate and exploit opportunities internationally, which added to their success stories in terms of their high growth and rapid internationalisation activities.

6.3.2.1 Family Business Networks

Due to the mother's work connections, family members of three of the case companies (A, D, and E) managed to identify opportunities and exploit them locally and internationally. Company C had very large family member networks that lived in different countries and when the new generation joined the management, they utilised these family networks to grow internationally.

In Case Companies G, K and M, it was a tradition that a family member should be involved in the running of at least one aspect of their family businesses, even if they had different educational and professional experiences.

6.3.2.2 Political Networks

When Case company F was faced with a problem in finalising its largest international acquisition; it had to activate its political networks, in the form of a previous president of a foreign country to help convince the authorities of his country and finalise the contracts in F's favour. Similarly, when Case Company R was accused of monopolistic conduct in their industry, R's CEO drew on his political networks to justify their behaviour and clear the case against them before it led to serious investigation and to charges against them.

6.3.2.3 Customer Ties

Both entrepreneurs from B and I relied heavily on their customer ties to develop and expand in their new international markets as their services were highly appreciated by their customers and they secured continuous demand for their newly established international enterprises. For example, Case Company B's CEO was commended for the innovative work with the injectables such that all pharmaceutical customers/buyers were continually demanding his products and they secured opportunities for his company to survive in new international markets.

Case Company I's entrepreneur, being a young highly educated engineer with extensive technical skills was the preferred electro mechanical contractor for governments in the Gulf area and they provided him with more contracts for work and security so that he could establish a permanent residential business in new international markets.

6.3.2.4 Educational Background

Case Company E's entrepreneur was blessed with a group of old colleagues who believed in their friend's vision and they encouraged him to internationalise into new markets, such as Switzerland and Central Europe which usually are not very easy for

African businessmen. Their influential positions enabled E's entrepreneur to become a leading resort founder even in the Alpine mountain region.

Based on educational background, colleagues' networks represented a driving force in the running of the internationalisation of Case Companies A, C, D, E, I and R. This was crucial to the companies' growth process as these colleagues represented similar educational backgrounds to the lead entrepreneurs, and often had studied with them. Mutual trust between the entrepreneurs and their colleagues was noted as particularly responsible for the smooth and efficient operations of these companies internationally.

6.3.2.5 Internal Networks

The most interesting finding revealed by almost all participants in this study was how entrepreneurs found networking with their own staff members, colleagues, friends within the company, management teams, and division heads, to be the most valuable and constructive form of networking. This was explained by A's CEO when he gave the examples of how internationalising into both Italy and North Korea that came from within the company's internal networks, that is, referring to the young professionals heading divisions in A.

Another case company's entrepreneur, E, also enacted the use of internal networks to internationalise into the Maldives when one of his colleagues in the company identified an opportunity and enacted it with the consent of the founding entrepreneur. This turned into a thriving international initiative.

6.3.2.6 Networks and Internationalisation

Resource based view theory sees networks as an embedded social capital that is an inherent firm-specific intangible resource that is difficult to replicate, thus providing competitive advantage (Peng and Luo, 2000). Wernerfelt (1984) recognised that international contacts as networks are valuable resources. Loane and Bell (2006) postulate the importance of networks in the internationalisation of entrepreneurial firms. However, while they confirm that firms tend to use their existing networks, they illustrate that many rapid internationalisers have to build new networks as they

expand into new foreign markets. This research shares Loane and Bell's (2006) postulation and shows how the case companies have continued to build new networks at different stages of their internationalisation processes. Examples below will illustrate how the entrepreneurs and their entrepreneurial teams drew on more than one type of the networks discussed above at different stages of their high growth and rapid internationalisation.

Case Company B's entrepreneur explains that the social capital of networks differed according to the stage of company's growth. First, to start his pharmaceutical business, he drew on his educational relationship to help initiate his new venture. As his firm started expanding in new international markets he focused on building new networks with governmental authorities. He strengthened the firm ties and positive communications with his connections in the Government of Jordan, and he built new resources of networks with the USA, Portuguese and British authorities. Networking with these governmental authorities was to ensure ease of his firm's operation in these new foreign markets. He also drew on his business connections to expand his businesses into both the USA and Portugal to ensure he reached appropriate strategic alliances and partnerships. When Case Company B decided to go to the MENA region, Mr B had to enact political networks to overcome bureaucratic barriers to this very lucrative market. The last stage according to Case Company B's entrepreneur was to underline the importance of having the resource of networking with your customers. Customer's needs were what drove him to innovate and come up with new ideas for injectables, diabetes and different FDA-approved medication for different international markets.

The social capital for Case Company F was vital. The key to the expansion of this conglomerate was exceptional and extensive networking with government agencies and powerful individuals, such as a former President of the United States, who provided consultancy services to facilitate the final acquisition of one of the company's major assets, namely P&O. Additionally, the lead entrepreneur and founder recruited individuals with far reaching networks and relevant work experience that further enhanced networking on the company's behalf. Mr F himself, unlike other entrepreneurs, did not come from an entrepreneurial family background,

but he more than compensated for this through drawing on his connections and his friends and colleagues, to take the business forward and build a massive multinational.

The entrepreneur of Case Company I was faced with changing regulations in Egypt and the possibility of imprisonment. So he drew on his networks and opted for an overseas opportunity provided by his business colleagues despite limited initial profitability of the venture in question. He was only offered a profit of \$4,000, but when he compared it to imprisonment he decided to take that opportunity forward, but he really drew on his family and friends who supported him during his international development process and also utilised Government agency relationships to start and sustain new business. He depended on the American Corps of Engineers, with whom he had previously worked: this was another form of networking that he happily utilised.

The social capital of Case Company R's entrepreneur came from his numerous networking relationships due to his education and his business background. However, his most successful networking was with Government officials, including Presidents of various countries. This enabled him to build a number of steel production plants in different parts of the Arab world, while benefiting from the best financial and legislative incentives in those new international markets. He managed to build very close relationships with a number of African leaders and also former East European leaders like ex-President Ceausescu, with whom he entered a joint venture company enabling him to get best preferential deals. So Mr R adopted different networking strategies at different stages of his firms' internationalisation and growth.

With regard to the social capital of the unsuccessful entrepreneur X, there were exemplary networks from family connections and educational background. He also had diverse government connections that proved both helpful and harmful to his business at the same time. He explained this very clearly in that his problems and great failures in internationalisation were due to his networking with the wrong people. *"Networking, although it is supposed to be a major resource, in my case it was a major disaster"*; he explained later that some of the people he networked with

were “*not exactly popular*” with the governmental agencies thereby undermining internationalising and making his life a “living hell”, with the result that he failed in every single business venture he started internationally.

Research findings confirm Anderson and Jack’s (2002) conceptualisation of the nature of social capital of both glue, which forms the structure of networks, and at the same time a lubricant that facilitates the operation of networks. Social capital is described as both the glue that binds to create a network and also the lubricant that eases and energizes network interaction (Powell and Smith-Doerr, 1994; Anderson and Jack, 2002). The enacting of international entrepreneurship through opportunity identification and exploitation takes place through networks. The utilisation of the network resources during internationalisation and growth of the case companies is discussed in Chapter Seven.

6.3.3 Financial Capital

The Entrepreneurs’ financial resources comprised of family resources, previous employment savings, raising funds from putting forward initial property offerings (IPOs) and inheritance proceeds. Most entrepreneurs had access to one or more financial capital resources as illustrated in Table 6.2: Profiles of Entrepreneurs’ Resources. Findings revealed that financial support from family and close friends were evident in the start-up phases. However, not all entrepreneurs depended on family finances for their initial stages of internationalisation. Some founders utilised their other resources of human and social capitals for international knowledge acquisition through network development as explained in the previous sections.

Case Companies C, K, L, M and X were dependent on family financial resources as means of funding their initial international expansion. These family’s considerable financial resources were made available to the siblings in the early stages of their careers, but later on wealth creation from the development of their own business was the main source of finance. Maintaining an excellent business reputation enabled them to offer IPOs through the Cairo and Alexandria Stock Exchanges. Business associates were also keen to invest in their companies.

At later stages, they also resorted to banking facilities to finance their massive international expansion.

Case Companies B, F, G, I and J entrepreneurs depended on personal employment remuneration, initially, and later on, on financing from business associates that were attracted by their acumen and success. Most of them built solid reputation in their respective fields of businesses that generated great interest from people wishing to invest in their share offerings through IPOs.

Case Companies A, D and E did not utilise family financial capitals at their initial stage of internationalisation. They were challenged to prove their vision of internationalisation in the presence of very strong resistance from their fathers, who disapproved of any international activity. However, at later stages of internationalisation, the entrepreneurs were able to utilise their families' financial resources as the fathers' trust was gained and sustained by the high growth and rapid expansion into international markets.

As for Case Company R's entrepreneur, his personal resourcefulness in getting the best deal from Government financial institutions played a very important role in securing funds for his mega projects. Subsequently, he drew on the success of these projects to raise other cash requirements for his international expansion.

Case Company X was the unsuccessful entrepreneur; he depended heavily on his family's finances and his huge inheritance. He also offered shares through IPOs to raise extra capital as his business was developing rapidly. However, when he started his international expansion, he not only utilised family resources, but also he had to raise cash to overcome great losses incurred, especially in the media sector as he purchased an internationally famous French newspaper LeMonde. His international expansion started by utilising family financial resources, but soon enough; Mr X lost his family business and was faced with imprisonment, as he could not meet his banking obligations.

To sum up, although financial capitals are vital resources for the internationalisation process of the interviewed firms; nevertheless, the entrepreneurs expressed their higher value of knowledge and networks capitals as the more significant resources in

their firms' high growth across different countries. In the context of intangible resources much emphasis is placed on networks and their positive relationship with internationalisation. This is in agreement with Johanson and Vahlne (2009) who argue that the business environment as such is viewed as a web of relationships. These findings also confirm Coviello, 2006 view that networks developed before entry in a new market are seen as instrumental to the specific internationalisation process. Such networks involved relationships with customers, suppliers, and competitors across industries, geographic, political, and cultural boundaries and provided firms with access to information, resources, markets and sometimes, technologies as proposed by Gulati *et al.* (2000). These networks also played an important role in providing participants with credibility or legitimacy in agreement with the view of Cooper (2001). Reputation was crucial for access to resources such as financial capital for example, but also clients, seeking information, used reputation as a basis for decision-making. Reputation was an important strategic intangible asset, especially for entrepreneurial companies as proposed by Bell and McNamara 1991, because it strongly influenced the way companies were able to position themselves in foreign markets.

6.3.4 Capabilities

As for the entrepreneurs' capabilities, analysis of the findings of this research was in agreement with the literatures that have paid attention to entrepreneur's specific factors and entrepreneurial capacity (McDougall and Oviatt, 2000). The lead entrepreneurs and founders of these case companies started their businesses as small and medium sized INVs. However their business grew to be MNE as they internationalised in new foreign markets. So, as explained by the lead entrepreneurs in their interviews they were always the decision makers at the initial stages of internationalisation and even during early growth stages before they decided to diversify internationally and form business groups with the help of entrepreneurial teams. The findings are in agreement with Madsen and Servais (1997) argument that the entrepreneur is a key antecedent of an INV, when adding other differentiating features such as former international experience and education with a background that facilitates accessing networks of contacts and resources. All these characteristics

and attitudes enhanced the entrepreneur's ability to see and exploit opportunities and contribute to successful internationalisation as previously discussed by Zahra and George (2002a). Analyses of findings have also revealed international entrepreneurial orientation in all case companies' entrepreneurs. These international entrepreneurial capabilities have positioned much emphasis on characteristics such as propensity to take risks, innovativeness and proactiveness in each case. Entrepreneurs were found to pursue promising though risky projects, such as rapidly targeting many markets; as will be discussed later in the internationalisation process scope Section 6.4.

Case companies' capabilities (firm's ability to utilize its resources effectively), were found to be embedded in the firm's processes and routines and, together with the firm's resources were found to form distinctive competencies. This is in agreement with Rangone (1999) who noted that firms put their strategic focus on three basic capabilities, namely innovation, production and market management capabilities. These capabilities enabled firms' innovation, quality and customer responsiveness. As already mentioned the pronounced entrepreneurial orientation was found to support the firm's ability to recognise and create opportunities: in order to capitalize on these opportunities. Firms were found to often reconfigure their asset base as new processes, business models, complementary assets and methods were needed to secure the rapid internationalisation and high growth.

This was evident in the case companies, where entrepreneurial behaviour (emphasis on opportunity identification – business idea) and new ways to quickly exploit them combined in an innovative way to create value and gain competitive advantage; these were found to be the main approach to international expansion into foreign markets. The case companies matched “economic opportunities with enabling technologies” as explained by Zahra and George (2002b). Technological innovation was found to provide business processes with capabilities for speed. Thus in the investigated case companies, strategy was a dynamic process of recreating and executing innovation and internationalisation options. This reinforced the view that entrepreneurial and strategic perspectives had to be integrated in order to understand the firms' internationalisation behaviour. Findings revealed that examination of a business idea

and strategy by which a company identified and exploited a market opportunity, organized its value chain, selected areas to internationalise into, and defined unique ways to reach potential customers, was also crucial. Innovativeness in the case companies' internationalisation was related to offering new ways of doing business and new ways of creating value through efficiency, speed, uniqueness.

This is in agreement with Knight (2000) who emphasised innovative marketing strategies, enhanced product and service quality, and specialized products for niche markets. Findings also agree with Chetty and Campbell-Hunt (2004) who found firms' strategy to be central to the motivation to internationalise. They further noted that realisation of competitive advantage requires rapid and full internationalisation. Strategy in the case companies was found to explain "how" their firms succeeded in internationalisation by employing innovativeness, creativity, entrepreneurship and risk-taking. This is explained in detail in Chapter Seven as the study of the entrepreneurial and managerial processes analyses and discusses the developing of dynamic capabilities; the mobilising and utilisation of international resources and capabilities; and the crafting of competitive advantages. This is in agreement with Weerwardema *et al.*, (2007) dynamic capabilities perspective. They emphasize the role of the entrepreneur, the learning from multiple sources and the resulting knowledge in order to conceptualize a process model of INVs' internationalisation. The internationalisation process of the Case Companies, how rapidly did they internationalise and where did they expand internationally is third research question that is analysed in the ensuing Section 6.4.

6.4 Extent, Speed and Scope of Internationalisation

To address the research questions of "*Where*" and "*When*" do firms from the emerging market of the MENA region internationalise, this section presents analysis and discussion of the case companies' internationalisation activities. This research adopted Zahra and George's (2002) examination of rapid international entrepreneurial expansion by means of analysing the extent, speed and scope of internationalisation of MENA firms.

To capture the continuing internationalisation of the case companies this research uses the dimensions which have been used to characterize their initial phase of internationalisation behaviour and track speed, scope and intensity (extent) and respective growth rates along time. The modelling along time also allows for the inclusion of growth rates and thus dynamic measures that refer to changes in scope and intensity over a certain period of time. Further, growth is inherently a measure of change over time as Sexton and Smilor (1997) suggest that growth is the essence of entrepreneurship, hence this research studies the high growth of MENA firms through analysing the internationalisation behaviour and discussing the trajectory of this process throughout time.

Following the approach proposed by Jones and Coviello (2005), fingerprint patterns are used to illustrate the drivers and accelerated internationalisation in terms of events in a reference and chronological time frame. They allow accurate rendition of facts and facilitate cross-case search for patterns and identifying subtle similarities and differences between cases. Internationalisation events are shown as the composite of the number and range of business modes and the number and distance of countries with which those modes have been established, at specific points in time, describing the company dynamically over time. This allows for the possibility of non-linear internationalisation development, which allows for possible alternating decisions, divestments, etc. It also fits well with the aim of tracking a firm's internationalisation behaviour along scope, intensity and speed and to link them with the identified influencing and moderating factors.

Guided by the conceptual framework, IE of the case companies is studied in the three dimensions of extent, speed and scope. Extent is considered as the dependence of the firm on international revenues or the number of new markets that a firm enters. Speed measures the rate at which the firm enters new markets. Scope evaluates the breadth of the internationalisation process. It regards geographic scope if regions are the unit of analysis, and/or product scope, if breadths of the product mix are considered. As illustrated in Table 5.14: Synopsis of Company Characteristics, the three dimensions of extent, speed and scope are presented for each case company.

6.4.1 Extent of Internationalisation

The analysis of the extent of internationalisation is the degree of international penetration of the firms into overseas markets and the dependence of the firm on international revenue, explicitly the number of markets entered by those firms. Table 5.9 (Chapter Five), has previously revealed that the total population of 108 HGRI MENA firms had large percentages of their business accumulated due to their international activities. The in-depth analysis of the fifteen HGRI MENA case companies has further confirmed the findings from descriptive statistics of the total population of the sample as presented in Table 5.14.

The examination of the total number of new markets that HGRI MENA case companies internationalised into revealed interesting outcomes. All case companies internationalised in more than one market and their international businesses constituted at least 60% of their total revenue. The least number of markets was Case Company E, as the firm internationalised into eight markets. However, the international markets' businesses constituted 72% of their total turnover. The small number of markets is directly related to the industry that this company operates in, namely the construction and development of new resort towns. Case Companies F and L, on the other hand, internationalised in 102 and 82 new markets respectively. Their income was almost 100% generated from international activities, although they still maintained head offices in their hometowns. Case Company F was in the field of marine operation and the management was keen to acquire ports in different parts of the world as they expanded internationally. On the other hand case company L was highly diversified in industries ranging from construction, real estate, banks, fast food, tourism, hotels and chicken farms. This vast differentiation in products and services coupled up with the large number of international markets they operated in confirmed the immense dependence of the firm on international revenue. Case Company C internationalised in 110 new markets, yet its international businesses constituted 78% of their total revenue. The firm specialised in the manufacture and trading of cables but it maintained a large portion of its production in their home country Egypt. Until 2008 when this research was finalised the Egyptian market constituted a big portion of the firm's total revenue.

Case Companies A, B and D internationalised into twenty-seven, forty-eight and fifty-eight foreign markets respectively. These three Case companies specialised in telecommunications, pharmaceutical and construction industries. Although they were diversified companies, their diversification, however, was within the main product or service line of their respective industries. The international businesses constituted 84%, 90% and 74% of their total revenues. This range of disparity was due to other factors of scope of internationalisation, which is discussed in the ensuing section. However, this high percentage of revenue from international businesses substantiates the depth of internationalisation phenomena that characterised the HGRI MENA firms. Case Companies I and J internationalised from inception and their international businesses activities constituted 100% of their revenue. These two companies were born to internationalise, as in the first case the entrepreneur started his own international company in Qatar to avoid imprisonment in his home country Egypt. And Case Company J was the frustrated intrapreneur, who started his own international business in Sudan, as he was frustrated with his employer who refused to value his idea. So both companies were born to internationalise, thus confirming the HGRI characteristic of the MENA firms.

So, the extent of internationalisation (whether it was eight or 110 markets) revealed a powerful intensity of dependence of all case companies on their businesses generated from foreign markets. Most of these case companies, as shown upon profiling their fingerprints, have exposed a pattern of high dependence of their revenues to be totally generated from international businesses that increased along time. Thus, the analysis of the extent of internationalisation of the HGRI MENA firms is in agreement with both Jones and Coviello's (2005) "fingerprint patterns" and Zahra and George's (2002) dimensions of internationalisation. But the extent is yet one of the three dimensions of internationalisation, therefore the scope and speed elements are subsequently discussed in the following sections.

6.4.2 Scope of Internationalisation

The scope of internationalisation is studied in two capacities; a geographic range (new markets) and a products range (novel innovations) introduced in those markets. Following the same pattern of analysis of extent of internationalisation, Table 5.11

(Chapter Five), had previously revealed that the total universe of 108 HGRI MENA firms had a wide range of both geographic scopes during internationalisation; and an extensive span of new innovative products as presented in MENA Data set Appendix B. The in-depth analysis of the fifteen HGRI MENA case companies has further confirmed the findings from descriptive statistics of the total population of the sample as presented in Table 5.14. Where did the case companies internationalise to; and what was the range of innovative products that they offered in these new markets? This was one of the research questions that led to interesting findings, which helped focus the characteristics of the HGRI MENA firms.

Analysis of findings revealed that Case Companies A, C, D, E, J, L, Q and R had a rapid initial start of internationalisation to countries such as Algeria, Pakistan, Sudan, Iraq, Afghanistan, Guinea, Cote D'Ivoire, Bangladesh, Yemen and other MENA and African countries. However, in periods as short as four years and as long as ten years, they pursued global development in up to 110 markets as in Case C for example. Their internationalisation patterns developed into other international markets to include East and Western European Countries, USA, Canada as well other Asian and South American markets. The internationalisation patterns observed from the analysis of the findings indicated that case companies internationalised to regional hostile countries before moving to other developed economies to undergo new businesses. On the other hand, Case Company B expanded its operations both regionally and internationally in a parallel fashion. Case companies F, H and I started by going to developed economies directly, then returning to their regional MENA region for further diversification and expansion.

Entrepreneurs' and firms capabilities of risk acceptance and proactiveness are observed in the targeting of hostile markets that emerged from the analysis of the case companies. When Case Company A decided to go to North Korea they deliberately chose a hostile market as a means of utilising their own competitive advantage of coming from a hostile market background themselves. This choice of market was a strategic decision based on the company's background and the managers/entrepreneurs tacit knowledge of how to convert a hostile challenge into a competitive advantage.

Further examples can be seen in Case Company D's decision to accept an international opportunity of constructing power plant station in Pakistan; and Case Company C's entry into Guinea Bissau (Central Africa, considered a very hostile market yet was appealing to Case Company C's CEO due to the array of opportunities he saw in supplying optical and fibre cables in the market.

Choosing a hostile market was a risk that was perceived by entrepreneurs to be acceptable as not only was it considered as paving the way to a myriad of new opportunities, but also as exploiting aggressively the opportunities that promoted high growth and rapid internationalisation. Thus, they used the companies' capabilities to generate new resources and to face the challenges in this new hostile market.

Thus, a new emergent theme of the internationalisation pattern is revealed upon examining how firms from emerging economies' grow fast internationally by targeting regional hostile markets to start with, and then later on expanding in other developed economies. This emergent theme does not tally with the internationalisation literature. Neither Dunning's (1997) MNEs internationalisation nor Yamakawa *et al.*'s (2008) emerging markets firms' internationalisation, elucidate the MENA region internationalisation scope and patterns.

The analyses of findings from the case companies revealed the recurrent pattern of internationalisation through the pattern of manipulating Dunning's (2009) location advantage in an entrepreneurial manner. Most case companies in this study internationalised from local markets to regional markets and later on to international markets. This is in line with the suggestions from what Verbeek and Rugman (2003). However, the case companies have revealed yet another pattern of venturing abroad further to alternative (non-regional) international markets, thus extending Verbeek and Rugman's (2003) research using a dissimilar pattern of internationalisation.

As for the products scope, Case Companies B, C, F, G, H, K, L, M, N, O and P introduced a range of innovative products and services by differentiating their produce scope as they identified more new opportunities that they grasped and exploited through targeting these new markets.

Case Company B diversified its product base as well as the scope of internationalisation, such that it had a total of one in four new products approved every year and it also had another 133 new products under development to diversify into the markets using them. Their innovation was not only going into new markets, but also introducing new products, so the breadth of internalisation included both the geographic and the product ranges.

Case Company C introduced twenty-three new products, and so innovation in the product range was also an addition to their massive geographic expansion of 110 countries. As for Case Company D, the entrepreneur and his entrepreneurial team expanded the firm's product scope as they not only internationalised in its main product range of construction and engineering, but also diversified and offered construction materials such as cement. So aided by the new geographic scope of international markets, Case Company D developed its product range to include engineering solutions, building materials and later on the supply of fertilisers. As for Case Companies M and N, both diversified internationally using a wide range of innovative products, services and business models. Examples of their product/service range included the manufacture and distribution of optics, hotel management, agro clean produce, real estate, construction, engineering, ICT, fast food industries as well as poultry production and supply.

Other case companies like A, H, I, J, P and R also offered product range internationalisation. However their innovative range of products and services were within their initial offerings of their original goods' supply. Thus it was evident from the analysis of the findings that there were relatively high innovative product/services offered by the MENA firms as they internationalised; this in turn helped these firms' rapid internationalisation and high growth.

The above analysis agrees with that of Ireland *et al.* (2003: 964) with regard to the entrepreneurial firm that “*applies creativity and innovation to generate a competitive advantage*” and thus manages to expand its market and business opportunities. The MENA firms' composite of the international behaviour used most commonly is innovation and value creation; which is in agreement with Covin and Slevin (1991) and McDougall and Oviatt (2000). Further, it sits well with the “entrepreneurial

posture” defined by Covin and Slevin (1989), as well as the “entrepreneurial orientation” of innovation, proactivity and risk-taking as defined by Lumpkin and Dess (1996).

The analysis of the findings also agree with that of Kuratko and Audretsch (2009), in that the essentiality of innovation is one of the core elements of strategic entrepreneurship as it enables growth-orientated firms to adopt a competitive mind-set in utilising this concept of innovation. It is accurate to agree with Kuratko and Audretsch, (2009) that opportunities surface primarily from the disequilibrium created by continuous technological change. This was also evident in the findings from the case companies in this study. However, all relevant extant literature focuses on technical innovation whilst the case company findings in this study support yet another type of innovation: managerial innovation. Managerial innovation refers to the way in which entrepreneurs choose their markets and why they go to insufficiently infrastructured host countries instead of countries with high institutional competencies and liberal economic policies. This will be discussed in detail in Section 6.5 under the disciplines of motivations and environmental factors.

So, analysis of case companies revealed a rapid internationalisation in new geographic hostile and developed economies and a large range of new innovations in the product scope as well; but how about the speed at which these firms internationalise? This is analysed and discussed in the ensuing section.

6.4.3 Speed of Internationalisation

The speed (precocity) of internationalisation is how fast the firm enters new markets. Analysis of findings revealed a wide range of reasons for the high speed of the rapid internationalisation exhibited by the case companies. Some case companies internationalised from inception, and some internationalised just shortly after inception (one to four years) while a few companies internationalised thirteen years after being established in their home countries. As discussed in Section 6.2, Case Companies C, D, K, L, M and R were second-generation family members who internationalised as they took over running the family businesses. The rapid internationalisation exhibited by those firms was due to the entrepreneurs’ strong

networks that enabled the formation of strategic alliances with business partners that established precocity into new markets.

Case Companies F and J, the two intrapreneurs, who used to work for big corporations, were motivated by their own drive to succeed and achieve what they always perceived as excellent international opportunities. Their entrepreneurial capabilities, skills and access to knowledge were essential in their firms' rapid internationalisations. Case Company F demonstrates the founder's experience in international marketing but shows that he had no industry background. The assumption of previous (marketing) experience accelerating speed and scope was confirmed. His existing social network in marketing, strategic management and the press was readily available and considerably facilitated developing and implementing the marketing strategy; it also helped in establishing business contacts with strategic partners. His motivation in internationalisation from the beginning was expressed by a global definition of the market and consumer segment.

Case Company B started internationalising after thirteen years from its foundation. However, the fingerprints of the firm's profile reveal a high intensity of internationalisation over time as soon as its initial stage started. It also revealed very extensive scope of product and geographic ranges, which in turn positioned Case Company B as one of HGRI MENA firms that sustained its high growth through rapid internationalisation.

Analysis of the findings supports Jones and Coviello's (2005: 284) identification of time and behaviour as primary dimensions for explaining and understanding internationalisation. Analysis of the findings further agrees with Kutschker, Baurle and Schmid's (1997) notion that time is fundamental not only to experiential learning but also it is also crucial in explaining each firm's internationalisation in terms of internationalisation events, order, timing and speed of the process. This research also concurs with Jones and Coviello's (2005) assertion that time is one of the key elements distinguishing "born global" from SME internationalisation, since one key feature of "born globals" is the time taken to start international activities (*precocity*) and the *speed* at which internationalisation develops. Time might also be expressed as the gap in time between the establishment of different forms of international

activity, thereby providing a measure of the rate of innovativeness of internationalisation as discussed in Section 6.2; here lies proof of the MENA firms' capacity of to explore and capitalize on the opportunities presented by unique business ideas, and their innovative ways of implementing them. Analysis of these firms corresponds to Miller's (1983) definition of the entrepreneurial firm as "one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with "proactive" innovations, beating competitors to the punch. Sharing these features therefore leads to enhanced speed and scope by perceiving, interpreting and exploiting opportunities in a different way, such as, identifying/creating and innovatively exploiting a global niche, for example.

6.5 Motivations and Environmental Factors

This section addresses the research question of "*Why*" do entrepreneurs and their respective firms from the emerging market of the MENA region internationalise? And "*What*" are the motivations, triggers and environmental factors affecting the high growth and rapid internationalisation? Guided by the conceptual framework, a thematic cross case analysis examines the findings from the research. This study adopted Zahra and George's (2002) examination of motivations and environmental factors expressed as growth opportunities: limited domestic growth, competitive forces: intensity of international competition and institutional environments that significantly influence international entrepreneurship.

6.5.1 Motivation

At first glance, the analyses of findings indicate that all case companies were driven by the discovery of possible opportunities in a new geographical context, which represented a "pull" growth strategy. Case Company I seemed to be the only exception; the entrepreneur was "pushed" to identify an international opportunity as the only option for avoiding imprisonment in his home country. However, a further in-depth analysis of findings emphasise the point that the discovery of new opportunities, new firm formation and internationalisation are processes of engagement and creation of inter-firm linkages of the global economy, driven by entrepreneurial observation, calculation, and strategic action. Hence, the

entrepreneurial internationalisation process, which is discussed in detail in Chapter Seven, starts with the geographical movements and pre-venture activities of the entrepreneur, and translates into the pathway of resource deployment in the global marketplace. This is also associated with the entrepreneur's motivation to achieve growth, which can influence his firm's international entrepreneurship activities. It is also related to the firms' meticulous core competencies that can efficiently transfer such capabilities to international markets; thus, enhancing the possibility of achieving greater gains from their international expansion.

Analysis of findings revealed that Case Companies K, L, M and R were originally family businesses that had second-generation sons who drove the international expansion of their family firms. The brothers were motivated by, firstly, wanting to build on their fathers' success. Also, each one of them felt the need to demonstrate their independent abilities as businessmen, in their own right. This ambition was furthered through increasing international presentation of their firms at that time. They, again, were motivated by "pull" factors. As there was never a "push" factor, they were very successful in their local markets, and in every other international market they went to.

As for Case Company J, the entrepreneur's motivation was a little bit different because he was a senior employee in a British company and he was quite frustrated by the lack of understanding of his superiors. So he decided to resign and start his own business to pursue his dream. It was a complete entrepreneurial motivation that drove him to start this business. His vision was to invest in Africa, which was an international process from the outset. The key motivating factor behind this decision was his knowledge of the African market and how it lacked any services.

The Chairman of this company who does not come from an entrepreneurial company was really motivated by what might be called "hunger for success". It was an urge to prove to himself to the ruling family of Dubai, who had put a lot of trust and faith in his abilities and he wanted to prove that this huge product of owning and operating marine operations was possible. Further, he was driven by a patriotic sense of responsibility for his country and future development. He saw that if such a product succeeded, it would place Dubai in a world-class position of marine operators, which

was actually the case through his acquisition of CFX and P&O. He did manage to position Dubai as the No. 1 marine operator in the world.

Entrepreneurs of Case Companies C, D, E, had no “push” factors at all. Their home countries were very receptive of their work and helped them a lot, and so they were motivated mostly by “pull” factors. As already mentioned Case Company I was the only company that had the motivation of a “push” factor under threat of imprisonment, in the entrepreneur’s decision to go overseas.

In Case Company B, the entrepreneur recognised an opportunity to internationalise by acquiring a pharmaceutical plant in the USA. He was motivated by other “pull” factors in Portugal and the MENA region as well.

In Case Company R, there is another good example of how somebody can be hungry for success in business terms. He was also very hungry for success in terms of building a protective political capital. This was the main driver behind his continuous search for new markets internationally, in order to ensure that he had sufficient financial assets and political insurance as a safety net for his career. He was never ceased building both business and political careers. It has proven a great success and he has built his international market very fast, motivated by “pull” factors as well as the need to feel protected.

Case Company X represented the unsuccessful entrepreneur, who believed that business was in his blood and he subscribed to the family work ethic. He could not imagine himself not being a productive entity of his inherited wealth. To start with, there were “pull” factors, but later on, there was a lot of “push” factors because he had massive problems in the local market.

This thesis agrees with Mathews and Zander (2007) who submit that to accommodate the entrepreneurial dimension of accelerated internationalisation, internationalisation is reconceived as a “pull” just as well as a “push” strategy. Analysis of the findings confirms the analogy that it is the exposure to the resources and opportunities in the international business environment that draws entrepreneurs and firms into involvement across national borders, through contracting, licensing and other transacting relationships. Thus substantiating that internationalisation may be defined

as the entrepreneurial process of the firm becoming integrated in international economic activities. According to Mathews and Zander (2007), the term “integration” covers cases of both push and pull, and provides a more comprehensive formulation, seeing the global economy as pre-existing and offering resources to the firm that acts upon entrepreneurial insight. This is manifested in the analysis of the case companies’ behaviours and motivations, as well as in their reaction to environmental factors affecting the high growth and rapid internationalisation.

Strategic entrepreneurial and managerial processes are discussed in Chapter Seven, yet the strategic decisions that influenced the choice of markets, the growth and internationalisation process are discussed in terms of environmental factors that motivated the entrepreneurs decisions and affected their international businesses operations and expansion.

6.5.2 Environmental Factors

Environmental factors discussed in this section included competitive forces (intensity of international competition), growth opportunities (limited domestic growth) and institutional environments that significantly influence international entrepreneurship. These factors acted as moderators and determined the strength of the relationship between organizational variables: entrepreneurial teams, resources of human, social and financial capitals; and international entrepreneurship dimensions: extent, speed and scope of internationalisation.

6.5.2.1 Competitive Forces: Intensity of International Competition

All case companies in this study were pioneers in their own businesses. However, some of them initiated new concepts with no competition motivating them other than their own vision. Others chose to go to completely new geographic contexts, again with no competition, only to start a portfolio of new businesses not motivated by existing competition. On the other hand there were a number of entrepreneurs who found competition to be a motivating force in its threat rather than its actuality. This means for companies like Case Companies B, C and D, the task was to rapidly scale up to the international market from a technological opportunity rather than build only

their domestic market, hence establishing international MNE enterprises to compete with the large conglomerates of the business.

In a number of case companies there was evidence that the companies under investigation followed a certain pattern upon identifying opportunities in the new international markets. This pattern was to go to countries where there was no competition. This behaviour was observed in Case Companies A, C, D, E and J. They chose to go to new markets with no competition and to start introducing a new product to this market through geographic diversification of their main expertise. The entrepreneurs in the case companies exhibited the behaviour of creating an opportunity rather than identifying one, thus establishing a completely new business for a non-existing service for the respective markets. Although it seems a very risky attitude towards internationalisation, findings revealed the entrepreneurial characteristics in their behaviours. They decided to enact these opportunities and build on their expertise to enter new markets via different modes of entry to fulfil their “hunger to achieve success in new international markets.” According to one of entrepreneurs the “excitement” of facing the new “challenge” was the main driving force behind the choice of no competition markets.

Case Company J’s entrepreneur was another example of going to a new market with no competition as he declared, “Nobody wants to work in Africa!” He considered that to be an attractive feature of the continent as he had the know-how of this innovative product yet there was no competition in this new geographical context. Thus, J’s entrepreneur exhibited the trait of risk acceptance, which is an entrepreneurial characteristic as revealed in his case company investigation. Similarly, Case Company E’s entrepreneur, by developing completely new townships and touristic resorts in remote areas entered a market where no competition existed as his concept was deemed “crazy”. Instead what he did was to introduce a new concept into the entrepreneurial process by creating new opportunities rather than identifying opportunities within existing international markets. In fact he can be considered to be a leader in this new internationalisation process and he was followed by a number of investors who constituted competition later on. Thus E’s entrepreneur exhibited yet another entrepreneurial characteristic in accepting this high risk opportunity that led

his company to be a successful model of high growth and rapid internationalisation firm from the emerging market of the MENA region.

The analysis below shows some companies agree that the motivational force of competition was an essential force for their internationalisation while others disagree with this concept.

6.5.2.1.1 Case Companies That Agreed

For Case Company B, in order to be able to compete in an internationally saturated industry like pharmaceuticals, the lead entrepreneur had to acquire a USA plant to facilitate competition utilising FDA approval. As for Case Company D's CEO, he had to think of new ways to compete with existing contractors so he came up with value added solutions such as providing construction building materials as well as project management as part of his complete package to develop continuous international market opportunities. He was motivated by the high competition in this field of contracting industry.

6.5.2.1.2 Case Companies That Disagreed

Founder of Case Company E pioneered a new concept of town development in the middle of the desert along the Red Sea where nobody wanted to have anything to do with it, creating the most sought after resort in the MENA region. By the time of the interview he had replicated his visionary idea into non-competition areas in different similar, remote parts of the world like Oman, Emirates, West Africa and Central Europe. And even in an isolated and inaccessible part of the Alpine mountains in Switzerland.

CEO of Case Company M proudly explained:

"I went into desert reclamation and I produced all sorts of vegetables and fruits in the desert because nobody else in my country is equipped to think about new non-competition areas. I became the pioneer of clean agro-business producer and exporter to the EU and the USA."

CEO of Case Company A was another entrepreneur who expressed his disagreement that competitive force in the form intensity of international competition was a motivating factor in his choice of market; he explained, "... Why go to Algeria?

Because I wanted to go to a totally new market with no competition what so ever even if it is a hostile market”. Actually, this was a pattern of internationalisation that his Case Company A adopted, always targeting countries with no competition. Their last venture was going to North Korea with a no competition motivating force.

This research does not support McDougal *et al.*'s (1994) claim that many entrepreneurs are motivated to internationalise as a reaction to fears of competition in their home as well as new host markets. Oviatt and McDougal (2005) suggest the presence of competitors motivates and strongly encourages entrepreneurs to lead their companies to internationalise. Some findings from the case companies agree with Oviatt and McDougal's (2005) theoretical views, while other findings from case companies do not concur. The motivation behind why case companies E, D, and A internationalised do not support Oviatt and McDougal's (2005) conceptualisation of the force of competition. Instead these entrepreneurs are pioneers of new concepts that show they entered new markets due to the very fact that they exhibited no competition. For example, the CEO of C went to Central Africa (a very hostile market) because there was no competition as none of the other competitors was interested in such a risky endeavour.

6.5.2.2 Growth Opportunities: Limited Domestic Growth

An analysis of the findings exposed disagreement with Coviello and Munro (1995) that limited growth of domestic markets was a major reason for the rapid internationalisation of high technology new ventures. It also disagrees with Karagozoglu and Lindell (1997) that an insufficiency of domestic sales in order to achieve competitive levels of R & D, was key motivation to internationalisation. All case companies, except Case Company B, had ample growth opportunities in their domestic home country markets and yet they wanted to internationalise to achieve superior performance in other new markets as well. They identified other lucrative business opportunities and proactively targeted unfamiliar new markets; this constituted innovative thinking in spite of the risk associated with this entrepreneurial behaviour. The analysis of this category is discussed under Section 6.4 and the ensuing sections. As for Case Company B, its entrepreneur explained that the limited domestic growth of the Jordanian market was one of the reasons for his firm's rapid

internationalisation into the USA and Europe, which supports the literature discussed above.

6.5.2.3 Institutional Environments

Institutional environments significantly influenced international entrepreneurship in the case companies' journey, as suggested by the analysis of the findings. This study analysed and discussed institutional environments on both levels of home and host countries of internationalising firms. Most of the case companies benefited from the institutional environment in their home countries. Egypt, a home country to a number of the case companies, started its economic and political reform and launched its privatisation scheme to encourage entrepreneurial activities through tax incentives. This had a positive influential effect on entrepreneurial firms. Although lead entrepreneurs felt the urge to emulate this successful experience as they internationalised, it was by no means a factor that drove the firms away from their home countries. Similarly countries like UAE and Qatar had other investment schemes that encouraged entrepreneurs to invest. However, these institutional environments never pushed investors to internationalise away from home countries; on the contrary, they were offering attractive schemes to increase local businesses.

On the other hand, analyses of findings reveal an interesting pattern among institutional environments in the new international markets chosen by case companies. With the exception of Case Companies B and F, all case companies chose to internationalise into hostile markets with inefficient institutions and lack of infrastructures. The fact that institutions were inefficient was a major attractive factor for companies to internationalise to.

International entrepreneurs expressed the strategy of purposely targeting such markets and it proved to be the most adequate from firms from the MENA emerging markets. These new hostile markets presented excellent sources of business opportunities as they needed “everything” as expressed by Case Company D's entrepreneur.

Case Company J left a significantly efficient system in the UK and went to Africa which hardly had any institutional efficiencies, but which turned out to be a

competitive advantage for Case J because he managed to work around these systems to be able to help to start embedding new systems and new regulations, like those he learnt in the west. The lack of institutions, rather than their presence of institutions, was another important environmental factor that helped Case J to internationalise rapidly. Mr J's colleagues in previous international institutions, or education colleagues who studied with him in the UK, shared his vision of this international investing in Africa and they all studied and worked very hard to understand the African market that presented such a golden opportunity

At later stages of their internationalisation processes, some case companies went to the USA, Europe and Canada. However, by that time HGRI MENA firms had positioned themselves as highly competent to operate in any market as they had bundles of core competencies that enable them to compete internationally

As for Case Company D, the CEO went to Europe and the States at later stages where the institutional environment was quite helpful also as well Eastern Europe. At the beginning, there were lots of incentives to internationalise to the West, the developed world was well established and that helped during the internalisation process. From local, to regional, to international, the institutional environment changed significantly in the three stages, as well as the competitive forces, from no competition, to bearable competition, to very fierce competition.

As for Case Company X, institutional environments were very supportive of the business activities in the home country at the beginning. However, when the entrepreneur started falling out with the Egyptian Government, the institutions treated him very harshly and they significantly influenced his push to internationalise. He chose to internationalise into a developed economy with very efficient institutions and well-established infrastructure, he did not go to a hostile market. Unfortunately, as he admits in his interview, he did not understand the French market enough before he went in; and in spite of the efficient institutions he incurred a big loss. Lack of knowledge and lack of proper networking did affect his internationalisation process.

6.6 Emergent Themes

The analysis and discussion of the case studies adhering to the conceptual framework of this research suggested a number of new emergent themes that may result in generation of explanations that extends the literature of internationalisation of firms from emerging markets. These themes are summarised and discussed in the subsequent sections as follows: no competition, internationalisation patterns local-regional-international, inefficient institutional competencies, insufficient infrastructures and hostile markets.

6.6.1 No Competition

The IE literature emphasised the moderating force of competition which is a necessity that motivates entrepreneurial firms as they grow and internationalise in new markets (Oviatt and McDougal, 2004). Zahra and George's (2002) definition of international entrepreneurship suggests that entrepreneurial firms enter international markets in the pursuit of opportunities that lead to competitive advantage that position them to create wealth. However, they urged researchers to explore the links between international entrepreneurship and competitive advantage or financial and non-financial performance outcomes. Findings have revealed case companies who benefited from first mover advantages (Mascarenhs, 1998) to achieve rapid speed of internationalisation. Although a few of the case companies investigated exhibit the importance of the moderating force of competition, the lack of competition (i.e. no competition) was however a more prevalent pattern that motivated the majority of case company entrepreneurial behaviour. This recurrent pattern of going to new countries where there is no competition helped the companies in this to gain varied advantages in their global markets. Examples of advantages that such markets provided were meeting an unfulfilled demand for services that did not exist in such markets including telecommunications, essential infrastructure, financial institutions and services etc. Furthermore, these markets also provided almost monopolistic market conditions due to the non-existent competition. Zahra and George suggest (2002: 29):

“An area that demands research attention is the type of competitive advantages that new ventures gain as they go international. These firms may pursue different goals and utilise different approaches in internationalising their operations. If this is true new ventures might gain very different types of advantage in global markets. These advantages have implications for firms’ survival and effective performance. Research into such potential differences would be of great help for the future.”

In response to Zahra and George’s (2002) request, this research not only fulfils the demand for understanding that new firms gain as they go international, but it also extends the literature by revealing the competitive advantages that occur when firms internationalise into countries with no existing competition.

In addition, the author would like to emphasise that although the intensity of international competition seemed to be an important factor in explaining the rapid internationalisation of some of the case companies investigated in this research in agreement with McDougal (1989) and Coviello and Munro (1995). However, this new area of no competition was not uncovered in the existing international entrepreneurship literature previously.

6.6.2 Internationalisation Process: Local-Regional-International

Research into the internationalisation of firms has focused mainly on firms from developed economies rather than those in emerging economies (Yiu, Lau and Bruton, 2007; Bruton and Law, 2008; Yamakawa *et al.*, 2008;). However, it cannot be assumed that the internationalisation of firms is the same in emerging economies as those in mature economies, because the institutional environments are different, with firms facing greater resource constraints (Peng *et al.*, 2003; Yamakawa *et al.*, 2008). The internationalisation of entrepreneurial firms in emerging economies is rapidly expanding (Peng *et al.*, 2003; Bruton *et al.*, 2008; Yamakawa *et al.*, 2008), and it is also known that their internationalisation may be different from that of large multinationals, because limited resources constrain the entrepreneurial firm’s choice of strategic options (Zhou *et al.*, 2008). Findings from case companies in this research have revealed a recurrent pattern of internationalisation though the pattern of manipulating Dunning’s (2009) location advantage in an entrepreneurial manner. Most case companies in this study internationalised from their local market base to

regional markets and later into to international markets. That is emerging market firms identified opportunities in other emerging markets and exploited them through international diversification into these regional markets as suggested by Verbeke and Rugman (2003). However, the case companies have revealed yet another pattern, that of venturing abroad further to alternative (non-regional) international markets, thus extending Verbeke and Rugman's (2003) research using a dissimilar pattern of internationalisation. In Yamakawa, Peng and Deeds' (2008: 75) paper they specifically mention in their limitations and future research directions section:

“On a final note, it is noteworthy to mention the dynamic approach as a future research agenda. While we have focused on Cell 4 (new ventures moving from EE to DE), Cell 3 (new ventures moving from EE to EE) is also a rare but increasingly observed phenomenon (whereas Cell 4 is truly an “even rarer” phenomenon). Do new ventures in EE initially internationalise into EE (Cell 3) before entering DE (Cell 4)? We believe that while some new ventures may embark on their internationalisation in Cell 4, others may initially venture into other EE (start in Cell 3) and then migrate to focus on DE as their next target (Cell 4). In other words, the migration of new ventures’ internationalisation activities from Cell 3 to Cell 4 may be an interesting and a fruitful area for future researchers to explore.”

In addressing Yamakawa *et al.*'s (2008) pursuit, the author believes that this thesis' research addresses the gap identified such that it explores the “what drives new ventures to internationalise from emerging economies to other emerging economies and then migrating to developing economies” (ibid p.75). The findings from this research enhances the understanding of the factors that drive new ventures to internationalise from the emerging markets of the MENA region into other emerging markets and later on internationalising in new developed markets globally. Thus this thesis makes a contribution in providing new knowledge in the areas of internationalisation of new ventures from emerging economies.

6.6.3 Inefficient Institutions, Insufficient Infrastructures and Hostile Markets

Dunning's (2009) location advantage highlights the importance of having sufficient infrastructure, highly competent institutions and friendly business environments as characteristics that attract firms to internationalise. This was confirmed by Yamakawa *et al.* (2008), as they view one of the factors that attract firms from

emerging economies to internationalise into developed economies, to be an institutional based view. The institutional based view suggests that developed economies possess stable regulative environments, which attract firms as they are more regulated and offer the benefits of risk reduction and increased potential business. While the author accepts that this could be the case for the Asia Pacific based companies that internationalised from emerging economies to developed economies as explained by Yamakawa *et al.* (2008), this has not been the case in this research. Instead, this research shows case companies from the emerging markets of the MENA region craft a competitive advantage by internationalising into other emerging markets that have insufficient institutional competencies, insufficient infrastructures and bear hostile environments which the case companies exploit as they perceive such disadvantages to be major opportunities.

A different way of seeing home and host market advantages was adopted by the case companies in this study. The development of the firms' specific advantages was often not the "usual" way of identifying location advantages upon choice of new international markets. Host country advantages of the type outlined in Dunning's OLI research was noticed in few of the case companies in this research. However, the majority of the case companies observed an opportunity in the challenging markets that exhibited hostile environments and lack of both insufficient infrastructures and inadequate institutional facilities. It was more normal for host country locations to reflect specific (and sometimes personal) advantages within each, in a deliberate and strategic and not only opportunistic fashion. Many of the firms' early successes were achieved in territories such as Algeria, Pakistan, Iraq, Central Africa, Sudan, Afghanistan and North Korea, countries that most firms would regard as hostile. The attractive features of infrastructure deficiencies and voids in institutional establishments were highly desirable by most of these firms as they intuitively and strategically entered these new markets. Many of these firms learned from their home and early internationalisation experience how to manage and do businesses in those apparently hostile territories. The ability of these firms to apply what they had learned from their home country to their international endeavours offered them considerable competitive advantages over better established western firms in other

institutional environments. Thus, for firms eager to learn, early growth and dominant market positions in hostile territories yielded early competitive advantage over other firms who widely internationalised in host countries such as Europe and the USA.

Emerging markets, it would seem, are particularly favourable to entrepreneurial opportunities as much of the infrastructure is yet to be built, and people's needs and prosperity are rising fast. Analyses of findings have suggested the lack of infrastructure was another new theme that emerged from the case companies of this study. For example, the decision to go to countries like Algeria, Guinea Bissau, Ethiopia, Albania and Iraq present an entrepreneurial opportunity for founders/entrepreneurs, in spite of or because of the lack of infrastructure in these countries. Case Company's Q chose to go to Ethiopia in spite of and because of the lack of total infrastructure such as, roads, bridges, dams, water systems and electric power stations, which presented further opportunities for his construction company to build and rebuild the non-existent infrastructure in Ethiopia. Similarly, Case Company L's CEO explained that Albania represented a bundle of opportunities in relation to Albania's lack of infrastructure, particularly in roads, water systems, and electric power stations. Findings revealed that Case Companies A, C, D, I and R, all identified opportunities in the lack of infrastructures in various countries that they chose to operate in and internationalise to. Thus these case companies from the MENA region have crafted competitive advantages by employing their dynamic capabilities through a strategic entrepreneurial behaviour of innovation, proactiveness, determination and acceptance of risk.

Host country advantages of the type outlined in OLI research provide attractions in some cases, reflected in firm B's expansion into the USA, UK and Portugal and Firm F's entry into Singapore, Hong Kong and the UK (Dunning, 1993). But it was more normal for host country locations to reflect specific (and sometimes personal) advantages within each, in a deliberate, strategic and not only opportunistic fashion. Greenfield operations in Portugal gave firm B the lowest cost entry into the EU, a new and large market opportunity. Firms E, F and I sought encouraging host country regulations in expanding production and sales operations worldwide. Firm I's founder went to Qatar from Egypt, his home, to avoid imprisonment, but only

flourished because of Qatar's public institutional competence and liberal economic policies.

However, other emergent themes are in disagreement with the literature, as targeting markets with inefficient systems contradicts Dunning's (2009) host country locations advantages. Also the fact that most case companies chose to internationalise into developing economies rather than developed economies is in disagreement with Yamakawa, *et al.*, (2008). In their article, which motivated this research, Yamakawa, *et al.*, (2008) conceptualise that new ventures' entrepreneurial internationalise from emerging to developed economies; which is not the case for HGRI firms from the emerging market of the MENA region.

6.7 Summary

Analysis and discussion of findings from case companies from the MENA region emerging markets achieved the first objective of this research. In order to investigate the characteristics and behaviour of the emerging market MENA region enterprises, this chapter examined entrepreneurial actors, resources and capabilities, internationalisation patterns, motivations and environmental factors affecting the high growth and rapid internationalisation of these firms. These categories were thematically analysed across the case companies and were cross-referenced to the relevant literature of entrepreneurial internationalisation. The examination of the case companies revealed the entrepreneurs' role to be crucial in the rapid internationalisation process of the MENA firms. Entrepreneur's influence on firms' internationalisation was studied in the four categories: Namely, entrepreneur's categorisation of "born globals" and the entrepreneur's industrial wisdom; firms that internationalised within one to two years from inception and their influence on firms' rapid internationalisation; internationalised after more than five years from local establishment and success and internationalisation driven by family challenge and the entrepreneur's influence on firm's strategy was explored, analysed and discussed with reference to pertinent theories of entrepreneurship. Entrepreneurs' classification into technical, structural and marketing was also discussed against Schumpeter's (1934) classical categorisations.

The chief findings were that family business and second generations' of family firms played a vital role in motivating the internationalisation process from the MENA region. The resources and capabilities, in other words, human (knowledge), social (networks) and financial capitals available as tangible and intangible assets of the internationalising firms were examined and cross- referenced with the appropriate literature. The internationalisation of firms from the MENA region in the context of extent, speed and scope were detailed for all case companies to tease out the patterns of such rapid international expansion. The motivations and environmental factors affecting the high growth and rapid internationalisation of MENA firms were explored to understand the behaviour of these firms. Emergent themes from the analysis of the findings such as no competition, internationalisation process (local-regional-international), inefficient institutions, insufficient infrastructures and hostile markets, were analysed and discussed to illustrate the contribution of the in-depth qualitative research. To attain better understanding of HGRI firms from MENA region, this research explores and examines the entrepreneurial and managerial processes during the high growth and rapid internationalisation of these firms. The analyses of these processes are discussed in the following Chapter Seven.

Chapter Seven: Entrepreneurial and Managerial Processes

7.1 Introduction

The analysis of the entrepreneur interviews and case studies revealed that entrepreneurial and managerial processes were interrelated and firmly interconnected in the study of HGRI MENA firms. These firms exhibited advantage and opportunity-seeking behaviours that resulted in creating value for the entrepreneurs, their organizations, and society as a whole. The behaviour of these firms involved actions taken to exploit advantages while concurrently exploring new opportunities that sustained their natural ability to create value across time. The HGRI MENA firms were unique as they possessed the characteristics of INVs and MNEs at the same time. They were INVs as they started their international operations and expansion, yet they became MNEs through their high growth and rapid internationalisation within short periods of time. That said, they continued to exhibit the international entrepreneurial nature of young firms while displaying the superior performances of large established firms in strategic management. So, adhering to the conceptual framework, this chapter presents the underpinning argument of this research explaining how those international new ventures achieved and sustained success, and became large established firms and their exploitation of competitive advantages whilst maintaining their entrepreneurial nature. The HGRIs' international entrepreneurial processes of discovery, enactment and evaluation are analysed simultaneously with their strategic management processes of exploitation of competitive advantages.

Chapter Six presented the analysis and discussion of the resources and capabilities of the HGRI MENA firms. However, how these resources were internationally mobilised and utilised to manage the firms' operations are discussed in this chapter through analysing the various effecting processes. The environmental factors affecting the high growth and rapid internationalisation analysed in chapter seven, are further discussed in Chapter Seven to explain how these factors facilitated the

acquisition of resources and helped identify opportunities as well as exploiting these resources and opportunities to create competitive advantage.

The international entrepreneurial processes in coordination with the effective management of HGRI MENA firms' resources and capabilities are examined to offer an understanding of the output of value and wealth creation of these firms. The processes under examination include: international opportunity identification and evaluation; international mobilisation of resources; development of dynamic capabilities to sustain entrepreneurial behaviour through innovation and proactiveness; entrepreneurial strategic leadership; international diversification and the formation of business groups.

The entrepreneurial management processes of resources, which Sirmon *et al.* (2007) labelled resource orchestration processes, are the subjects of this chapter. The rest of this chapter flows as follows: Section 7.2 analyses and discusses the process of discovery; how do entrepreneurs and entrepreneurial team members identify and create international opportunities? Section 7.3 discusses the international mobilising of tangible and intangible resources through the utilisation and management of human (Knowledge), social (Network) and financial capitals. Section 7.4 analyses how HGRI MENA firms' reconfigured resources and deployed capabilities to achieve competitive advantages. It also discusses how these firms developed dynamic capabilities through innovativeness, risk acceptance and pro-activeness during their rapid internationalisation processes.

A theme that stood out from the inductive research was the process of distributed leadership, which will be discussed in Section 7.5. It will analyse how entrepreneurs led, drove and motivated team members to fulfil an international vision. It will also identify how leaders anticipated and worked with entrepreneurial team members to initiate change in their firms. Section 7.6 examines portfolio entrepreneurship, international diversification and the formation of business groups through management processes undergone by entrepreneurial team members to achieve rapid internationalisation and sustain high growth. Section 7.7 presents and discusses the multilevel input process-output model for the purpose of providing a richer understanding of the international strategic entrepreneurship construct in line with

the research's conceptual framework. Section 7.8 sums up the chapter and concludes by presenting the final conceptual model for high growth and rapid internationalising firms from the emerging market of the MENA region. The model incorporates environmental, organizational, and individual foci into the dynamic process of simultaneous international opportunity- and advantage-seeking behaviours.

7.2 Identifying International Opportunity

The entrepreneurial processes of discovery, evaluation and exploitation of international opportunities examined in this research are in synchronisation with the management process of the firms' resources and capabilities. The first step in the entrepreneurial process is that of identifying an international opportunity. This process involved entrepreneurs and entrepreneurial teams who recognised new international opportunities and converted them into marketable products and services. The international opportunity identification may include discovery of existing opportunities and creation of new opportunities as conceptualised by Alvarez and Barney (2007). Evidence from the analysis of findings of the case companies (Chapters Five and Six) supports both types of opportunity identification. The opportunity-seeking behaviour of entrepreneurs alert to existing international opportunities as well as those who were innovative and dynamic in creating new ones to achieve competitive advantages, were both revealed in the investigations of the case companies. Sometimes both behaviours were recognised and there were different types of international opportunity recognition; this confirms Zahra's (2008: 244) notion of "a virtuous and dynamic cycle where discovery enriches creation which, in turn, fosters the discovery of new opportunities". Table 7.1, "Identifying and Evaluating International Opportunity", presents the description of the different case companies as they discovered and created international opportunity.

All the entrepreneurs were motivated by the identification of an entrepreneurial opportunity arising from their own established work, knowledge, background or education as well as experiences in international contexts. However the identification of opportunities took place at different times and stages in their entrepreneurial career. The interviews revealed interesting triggers of the enactment of the

international opportunities as presented and discussed in Chapters Five and Six (see Case Companies B, D and J [Section 5.4]; and Case Companies A, C, E, R and Q [Sections 6.2, 6.5 and 6.6]).

Case	Detailed Theme	Description
All cases except Cases I and X	Identifying international opportunity	All case companies were driven by the discovery of possible opportunities in a new geographical context, which represented a "pull" growth strategy. Both cases were "pushed" to identify an international opportunity as the only option for avoiding imprisonment in home country.
Cases A, M, L	Discovery of international opportunity	Cases that discovered international opportunities and evaluated, enacted and exploited them
Cases A, B, C, D, J, R, Q,	Creation of international opportunity	Cases created opportunities as they diversified in completely new fields

Table 7.1: Identifying and Evaluating International Opportunity
Source: Author

Case Company A was presented with an international opportunity one year from inception in entrepreneur's home country and although this opportunity was a "high-risk" opportunity the entrepreneur saw a "gold mine" ahead. In comparison, company B took thirteen years to realise an international opportunity, but once enacting it they became a global company in their field. In Case Companies C and D, the international opportunity only came after new generations of family management joined the company prompting global outreach.

Evidence from the analysis of findings of case companies as presented in Chapter Six, suggest a close fit to the literature as the entrepreneurial firms demonstrate clearly the need for an international entrepreneurial opportunity. For example, it was clear that Case Companies A, B, C, D, M, L, R and Q identified international opportunities, which motivated their internationalisation growth process. In spite of

the discovery of international opportunities occurring at different stages and timings of their operations, each interviewee expressed the crucial role of opportunity identification in their international entrepreneurial process, confirming a fit with IE literature as presented by both Zahra and George (2002), as well as Oviatt and McDougall (2005). The findings also revealed that when there was no clear opportunity, entrepreneurs created one that fulfilled their need to grow internationally as different environmental factors forced them to pursue growth in different geographical contexts. The latter evidence from the findings was supported by Zahra and George (2002) as they noted that entrepreneurs “creatively discover opportunities” in the pursuit of competitive advantage; this could be interpreted as a more relevant fit to the theme of international opportunity creation rather than just the identification of an opportunity.

The process of discovery and evaluation of opportunities involved background, skills, aspirations and knowledge in terms of learning experience, as well as personal networking. The ability of the entrepreneur to receive and interpret information, in the face of environmental turbulence and uncertainty, was central to entrepreneurial behaviour of being active, proactive and aggressive in pursuing opportunities in overseas markets (Obrecht, 2004). Additionally, tacit knowledge is critical factor of active involvement in international markets as it provides the framework for perceiving and formulating opportunities. Moreover networks and social networks can provide firms with access to information (Loane, Bell and McNaughton, 2007). In the conceptual framework underpinning this research, the author identified as starting point, the existence of international creative endeavours: an international vision and the pursuit of international operations that expose firms to multiple and diverse sets of opportunities across different countries. The absorption capacity at the individual and organizational level on the one side and the ability to evaluate and select these opportunities on the other, constitute the first step in the entrepreneurial process. The following steps are the effective management processes of firms’ resources and capabilities, which are analysed and discussed in the subsequent sections.

7.3 International Mobilising of Resources

HGRI MENA firms mobilised resources internationally through internal human development and external acquisitions across borders to facilitate the initial stages of their new international ventures. The firms networked internationally to gain access to new markets, which proved to be an effective technique for acquiring lucrative entrées into foreign locations and international sourcing. The firms also initiated organisational development through training, to develop and sharpen skills and capabilities to acquire alertness for new international opportunities as presented in Table 7.2.

Chapter Six analysed the HGRI MENA firms' resources in terms of human and social capitals. In this chapter the learning and networking processes are discussed as part of the international managing and utilising of resources and capabilities. As discussed in chapter seven human capitals referred to the knowledge, skills, and previous start-up experiences of the entrepreneurs and entrepreneurial teams. These capitals were valuable solely in the context of international entrepreneurial activities as indicated by Wiklund and Shepherd (2008). However, the conceptualization of human capital on its own appeared to be insufficient to explain the international diversification and high growth through portfolio entrepreneurship.

7.3.1 Learning Processes

In addressing the rapidly changing environment, Case Companies A, C, D, E, J, Q and R managed to co-ordinate internal and external activities, resources and technologies to reconfigure the firms' asset structures. They did so through intensive training and development programmes, which enhanced the learning process capabilities as well as the tacit and experimental knowledge of the entrepreneurial team members. The author had an ethnographic participant observation experience in attending one of the in-house training and development workshops for staff members, in preparation for international assignments. The magnitude of preparation, as witnessed by the author, was emphasised by the lead entrepreneur to be "*our continuous investment to develop new skills and capabilities for our entrepreneurial team members*". (See Section 2.8)

Evidence from the analysis of findings supported what the entrepreneurs aspired to achieve. International training courses and regular field meetings with a diverse customer base as well as possible suppliers in new foreign markets were imperative, as they allowed the entrepreneurial team members to expand their vision and entrepreneurial orientation in terms of alertness, discovering, scanning and evaluating new opportunities as well as reconfiguring and coordinating resources and competences.

Most of the HGRI MENA firms have shown swiftness in developing, honing, and exploiting their entrepreneurial capability to recognise, conceive, create, and exploit opportunities for competitive advantage. However, as they continue their international expansion, the firms recognised their need to learn new skills that sustain profitable exploitation of their capabilities. That required them to learn to unlearn (or forget) some of the practices they had used in their home or other international markets. Unlearning refers to the intentional discarding of practices, such as abandoning certain procedure and work practices from previous working experiences (Zahra *et al.*, 2011). This is in agreement with Zahra *et al.* (2011), as the authors address emerging multinationals venturing into developed economies. However, this research extends the work of Zahra *et al.* (ibid) that addressed emerging multinationals venturing into developed economies, by introducing the emerging multinationals venturing into developing economies as well.

Leaders and entrepreneurial team members accepted the fact that some existing practices of their firms may create hurdles to learning in international markets. All of the HGRI MENA firms originated from emerging economies often with underdeveloped institutions with weak and inefficient formal institutions such as laws, regulations, information disclosure, governmental agencies, specialized professions, and financial press. Their home countries also had highly volatile and uncertain environments, significant government interference, as well as unstable political and economic conditions. Most of these characteristics were great motivators for crafting competitive advantages to target hostile markets and to diversify internationally by exploiting these vast new business opportunities. However, these firms, their leaders and entrepreneurial team members knew that they

had to learn to avoid importing bad habits into new international markets. They had to learn to unlearn, capture new knowledge, and diffuse it to sister companies in their business groups, and to safeguard against memory decay. Relationships with other members of the business groups made it essential to work hard to learn, and to avoid forgetting valuable knowledge.

Detailed Theme	Case Demonstration	Description
International managing and utilising resources and capabilities. Human capital (education), social capital (networks) and financial capital (family and friends)	Cases A, B, C, D, E, K and R	All these cases utilised their own tangible and intangible resources by managing and accessing family and sometimes friends' financial assets as well as drawing on educational, work experiences and network relationships to facilitate access to knowledge, to enhance their internationalisation process in new geographical markets
	Cases F, G, H, L, N, O and P	The situation in these cases was different as the founders of these companies, although financially capable, had to recruit experienced people with advanced educational backgrounds, professional skills and established networks, in order to internationalise.
	Cases J, I, M and Q	Utilised personal financial resources from previous employment to persuade other business associates to join in their new business ventures, thus forming a conglomerate of financial, human and social capital to pioneer new projects internationally.

Table 7.2: International Mobilising Of Resources
Source: Author

Thus, leaders and entrepreneurial team members understood that infusing new knowledge and innovation into their operations required learning multiple skills and competencies. Learning takes time and effort to comprehend, absorb, and exploit new knowledge and develop new frames of reference about the competitive arena.

This is why tacit knowledge and learning by doing spread through the process of developing entrepreneurial capabilities. This learning made it essential for these firms to understand how to capitalize on their own unconventional behaviour (represented by their own resources and capabilities) in relation to the new environment in which they competed. This reflects Teece *et al.*'s idea (1997: 516) of the role of dynamic capabilities in building and reconfiguring internal and external competences to address rapidly changing environments. The importance of strategic management and capacity building is supported by the findings of this study.

Evidence from the data suggests that in HGRI MENA firms, entrepreneurial team members, guided by their leaders, sought to build entrepreneurial capabilities by learning across various opportunities. For example Case Companies' C, D, R, Q and M's learning processes defined new links between capabilities that were previously unrecognised, allowing these firms to make appropriate international resource allocations. This was magnified when these Case Companies internationalised into new inefficient markets. They were faced with the non-existence of financial institutions and so, they were spurred on to discover and even create new operating banks in these international markets. Thus, of course, accelerating these firms' competitive positioning. This mutual support and cooperation within the HGRI MENA firms' culture emerged as they learned to assemble their capabilities and individual and collective contributions to the firm's strategies in pursuing various opportunities. This analysis is in line with Zollo and Winter's (2002) concept of dynamic capability, which is a learned and stable pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness.

7.3.2 Networking Processes

Similarly, operationalising social capital by considering links only in business and political networks (Wiklund and Shepherd, 2008) also seemed insufficient. This did not capture the diverse nature and scope of networking processes that supported the international diversification, business group formation and portfolio entrepreneurship of the HGRI MENA firms. As discussed in chapter seven and in the within case analysis in section 6.4 (chapter six), networking was not only a resource but also a

continuous process that was vital in the HGRI MENA firms' rapid growth and international expansion.

Evidence from the analysis of findings from the case companies supported Anderson and Jack's (2002) conceptualisation that social capital is said to be both the glue that forms the structure of networks, and the lubricant that facilitates the operation of networks. HGRI MENA firms emerged from emerging economies and internationalised into developing and developed economies. Therefore the increasingly dynamic and turbulent environments, in which they operated, demanded strategic entrepreneurial flexibility to sustain international growth. Thus, firms that were able to create and manage knowledge, that was valuable, rare and difficult to substitute, were able to increase their value and strengthen their international competitive advantage as suggested by Kuivalainen and Bell (2004). In such evolutionary knowledge based international markets, the emphasis was not on the static nature of resources per se but on the dynamically evolving, internationally acquired routines and capabilities through co-ordinating relationships and networking processes.

Case Companies B, D, E, F and J explained how the processes of networking went through different stages as their internationalisation expanded. The lead entrepreneurs and different members of their entrepreneurial team members were actively leveraging their own social and business contact networks to gain knowledge of accelerated access to international markets. Many of these relationships had been formed in previous employment, and when studying, working or living in these target international markets. Firms were combating the dual liability of foreignness and newness by leveraging the social capital inherent in relationships with external parties. They were utilising these networks to access foreign market knowledge, identifying key industries or major client bases. Thereby they also managed to enhance their efforts to access funding streams and venture capital, and identified other channels and networks. Indeed such relationships often acted as links to other network resources for the firm, like in Case Companies I, M, O and R, when clients encouraged these firms to internationalise into new markets where they had strong relations. This is in agreement with Jack *et al.*'s (2008); these networking processes

depended on which stage of the lifecycle the firm was in, as illustrated and detailed in the multi-faceted networking process of Case Company B's (Section 6.4.1) entrepreneurial narrative and in the within-case analysis of Case Company C.

Findings also revealed that many of the firms actively sought to address perceived capability gaps via the acquisition of new team members. Such individuals often provided new technical capabilities, greater knowledge of international markets, new business contact networks, and/or access to financial resources. Thus, the composition of management teams often changed over time. Loane *et al.*'s study (2006) conducted in Australia, Canada, Ireland and New Zealand demonstrated similar firms' network development activities to build international networking processes due to the advanced nature of their offering in the new markets.

Case Companies B, F, G, H, K, L, N, O and P, their entrepreneurs and entrepreneurial teams altered their firms' resource base by acquiring internationally, shredding, integrating and recombining some of these resources to regenerate their newly sought international objectives, as detailed in Section 7.4, developing dynamic capabilities. The findings also supported the actuality that social capital helped in building trust between actors and provided access to valuable intangible resources and knowledge (Hoang and Antoncic, 2003). It also helped in opportunity discovery (Burt, 1992), opportunity exploitation (Johansson, 2000), and international venture creation (Oviatt and MacDougall, 2005).

Finally, even though reputation is considered to be conducive to entrepreneurial ventures (Shane and Cable, 2002), this resource has not been investigated in the international entrepreneurship context. The analysis of this research supports the notion that reputation was advantageous to HGRI MENA firms and relevant for corporate strategy in those firms (Craig, Dibbrell, and Davis, 2008). Evidence from case companies revealed that international mobilisation of the firm's reputation, as presented in the entrepreneurs' narrative, offered capital infusion increase from prospective investors. More specifically, leaders demonstrating personal credibility, professional organization, achievement, and relational aptitude, not only resulted in higher levels of capital investment, but also helped entrepreneurs attract talented human capital and assemble a sufficient customer base. The accumulation of such

resources and the development of dynamic capabilities of HGRI MENA firms as they expanded internationally are discussed in the ensuing section.

7.4 Developing Dynamic Capabilities

Dynamic capabilities are the firms' capabilities for renewing physical resources and skills at a high pace and achieving congruence with a changing business environment (Hitt *et al.*, 2002). Therefore a firm's ability to continually improve its current resources and build new ones is paramount for maintaining competitive advantages and entrepreneurial exploitation over time (Teece, *et al.*, 1998; Eisenhardt and Martin, 2000). The sooner resources are secured and transformed into competitive advantages through dynamic capabilities, the higher the chances for successful wealth creation will be. This can be viewed as a fundamental characteristic of strategic entrepreneurship, which was evident in most case companies. During interviews and participant field observation, lead entrepreneurs explained how they reacted to the changing environments by securing their companies' resources and transforming most challenges into competitive advantages such that it supported their firms' rapid internationalisation and growth.

The HGRI MENA firms developed their core competencies through their entrepreneurs' and entrepreneurial teams' ability to facilitate efforts to effectively manage the firms' resources. The proactive and innovative strategy approaches to customers' needs and the changing environment were a measure of the capabilities developed by some firms, thus reconfiguring their offers.

As discussed previously international entrepreneurship for the HGRI MENA firms was the combination of entrepreneurial, opportunity-seeking and strategic advantage-seeking actions that supported both value creation and reduction of competitive threats (Hitt *et al.*, 2001). Focusing on the entrepreneurial element permitted consideration of the process and the behaviour by which these firms gained competitive advantages in international markets. They continued to perform due to the inability of other firms to imitate their competitive advantages. The ability to sustain this entrepreneurial behaviour, through innovation, risk-taking and proactiveness, permitted HGRI MENA firms to compete in the market. Developing

dynamic capabilities enabled these firms to perform in terms of profitability, growth, export intensity, geographic scope and international precocity.

Dynamic Capabilities, also referred to as resource orchestration by Sirmon *et al.*, (2007; 2011) are concerned with actions to structure the firms' resource portfolio, bundle resources into capabilities, and leverage the capabilities to create value for customers, thereby achieving an international competitive advantage for the firm. By employing the entrepreneurial approach to the dynamic capabilities model, the entrepreneurial behaviour is instrumental in understanding the HGRI MENA firms' international growth. This is possible because international entrepreneurial behaviour focuses on risk-taking, proactiveness and innovativeness in the global marketplace. Thus, this integration between entrepreneurial behaviour and dynamic capabilities explains the managerial processes performed to attain the HGRI MENA firms' competitive advantages in international markets. Accordingly, risk-taking, proactiveness and innovativeness are drivers capable of explaining strategic thinking and actions through coordination and integration of resources and technologies. They also permit the shaping of learning processes within the firm and the reconfiguration of the firms' asset structure in terms of market, product portfolio, and/or internal processes.

Developing entrepreneurial dynamic capabilities through building core competencies in difficult markets and the continuous search for and crafting of competitive advantages enabled the HGRI MENA firms to accelerate their international growth. So, internationalisation into hostile markets, positioning their product, services and market entry choice, enhanced the HGRI MENA firms' core competences and their mastery in developing new international ventures. These research findings concur with Kyrgidou and Hughes' (2010) conceptualisation, that there are three important components of entrepreneurial strategic behaviour- proactiveness of the entrepreneur; his acceptance of risk; and the dynamic capability that the firm adopts in order to utilise the firm's resources effectively in spite of the challenging environmental conditions that they may face. Table 7.3 presents the development of dynamic capabilities in the HGRI MENA firms.

7.4.1 Structuring of Resources

This section discusses how HGRI MENA firms structured, bundled and leveraged their capabilities to create, maintain and sustain their competitive advantage in international markets. As for structuring of resources, it included acquiring, accumulating, and divesting resources (Sirmon *et al.*, 2007). The continuous search for new sources of competitive advantages led the HGRI MENA firms to structure their resource portfolios through acquiring, accumulating, and divesting these resources. The proactiveness nature and vision for developments pursued by HGRI MENA firms was not of the type normally associated with international entrepreneurship. The massive scale of the acquisitions of some of these case companies put them in a position to compete worldwide in their relative industries. Other moves were very strategic but less dramatic in nature, as some of the case companies developed competitive advantage for global niches in different geographical contexts. For example an observation from an interview with Company B's CEO Company clarified how he led his company's growth and internationalised in the USA and Portugal to develop competitive advantage that created a global niche. They focused on a new up-and -coming line of production of injectables and made sure they got the highest number of FDA approvals in this particular line of pharmaceuticals. Another example is given from a participant observation enquiry during an interview with CEO of Case Company F. He explained that the firm had pursued the massive acquisition of the famous maritime operators P&O as well as CSX, in the hope of acquiring the largest competitive market share in the maritime industry.

HGRI MENA firms developed some of their resources internally as they were aware of the strategic importance of preparing for any changes in customer demands and for protecting their positions against environmental turbulence. This process of internal development of resources is also described as resource accumulation by Hitt *et al.* (2011). Accumulating of resources often required learning as detailed in section 7.3, the international mobilisation of resources. The HGRI MENA firms enhanced the managerial knowledge and skills of their professional employees by increasing their tacit knowledge within their firms (7.3) and sometimes through forming strategic

alliances with companies that possessed the desired knowledge. Case companies G, I, L, R and Q used strategic alliances to develop tacit technical and managerial knowledge through deploying resources from partners in areas of IT facilities improvement, real estate development and finance evaluation.

Theme	Case	Description
Developing Dynamic Capabilities by Resource Orchestration to Craft Competitive Advantages	Cases A, C, D, E and R	Working in difficult home country environments enabled these companies to build their own capabilities such that their core competencies became a source of competitive advantage. This in turn, enabled these companies to internationalise into similar difficult new markets that were unattractive to established MNEs from developed countries.
	Cases B, I, F, G, H, L, M, N.O and P	These companies utilised their innovative capabilities to position their product, services and market entry choice to develop a unique competitive advantage as they internationalise into difficult markets and developed countries
	Cases J, I and Q	These companies' founders who all had relevant PhDs, had to create a competitive advantage based on their previous work experience and knowledge. Their R and D enhanced their core competences and mastery in developing new ventures.

Table 7.3: Developing Dynamic Capabilities to Craft Competitive Advantages
Source: Author

Divestment of resources is a strategic decision that constitutes risk-taking behaviour on the part of the entrepreneurs. That entrepreneurial strategic behaviour characterised a number of the HGRI MENA firms' entrepreneurs as they made their decision based on acceptance of calculated risks utilising their knowledge and networks to promote their firms' international competitive advantage. Examples of successful divestment decisions are detailed under the emerging theme of international churning, section 7.6. When Case Company D's entrepreneur decided to divest the company's massive cement operation, the whole business community thought that there were great risks associated with this strategic decision. However,

Mr D proved everybody wrong by making a huge profit for the shareholders and got himself a 16% shareholding in the largest cement producer in the world.

As for the bundling of resources, it involved stabilizing and enriching existing capabilities, enriching current capabilities, and pioneering new capabilities (Sirmon *et al.*, 2007). HGRI MENA firms' bundling of resources required knowledge provided by a rich learning context, especially tacit learning as discussed in Section 8.3.

7.4.2 Leveraging of Resources

Leveraging of resources required a sequence of actions including mobilizing capabilities to form requisite capability configurations, coordinating the integrated capability configurations, and deploying these configurations with a resource advantage strategy, a market opportunity strategy, and an entrepreneurial strategy (Sirmon *et al.*, 2007). HGRI MENA firms' entrepreneurs and entrepreneurial teams mobilized, coordinated, and deployed their specific capabilities in particular market contexts by implementing a particular strategy. Innovation was the driver capable of explaining reconfiguration in those emerging multinationals (Schumpeter, 1934; Christensen, 1999). Innovation was a key element of the case companies' international growth; it was both managerial as well as technical innovation. Technical innovation was typically a strategic move to differentiate products and services. Some case companies operating in mature industries went on to develop new types of innovative additions to their main lines of production. Managerial innovation was often seen in the choice of markets. The decision not to go to countries with high institutional competence and liberal economic policies but rather to internationalise in host countries with completely insufficient infrastructure constituted a deliberate and highly innovative managerial vision.

One example of technical innovation witnessed in non-participant observation of Case Company B was its deepening of its competitive advantage in the injectable pharmaceuticals industry worldwide. It now has 104 new products ready for approval from the FDA and another 133 under development in the USA. Similarly recorded in Case Company C was a key ability in product differentiation in cables and the optical

fibres that relied on technical innovation to address challenges in different countries and enable the development of new sources of competitive advantages.

Managerial innovation was evident in Case Company A's choice not only of going to countries with a lack of infrastructure and institutional incompetence like Algeria, Afghanistan, and North Korea, but then exploiting new opportunities that presented for building completely new systems of infrastructure. Further examples can be seen in starting complete Greenfield projects or going into partnership with incompetent governmental organisations and turning these working relationships into high performing profitable entities.

The entrepreneur of Case Company I commented,

“Some of the host countries that I had to start work in had very difficult home country regulations which would seem very unfavourable and even dissuading investors from doing business in their countries.”

However, due to Mr I's innovative managerial skills he enhanced cooperation with local business people such that obstacles were removed and efficiency seeking incentives were offered to his company as it internationalised in these new markets. A final example of managerial innovation came from Case Company D that acquired an American contracting company to undertake institutional projects in MENA region and central Asia that were financed by US AID, naval and American corps of engineers.

The above also demonstrates how the HGRI MENA firms positioned their firms through niche orientation, illustrating an entrepreneurial attitude in terms of creative global market micro-segmentation that derived from opportunity scanning and evaluation on a global scale to quickly gain a significant international market share. Importantly, although each of the above actions and related sub processes were useful, the proper synchronizing of resource orchestration actions positively influenced the HGRI MENA firms achieved outcomes.

Kuratko and Audretsch (2009) confirmed the essentiality of innovation to be one of the core elements of strategic entrepreneurship as it enables growth orientated firms to adopt a competitive mind set. It is true that opportunities surface primarily because

of the disequilibrium that is created by continuous technological changes as suggested by Kuratko and Audretsch (2009), and this is also evident in the findings from the case companies in this study. However, all relevant extant literature focuses on technical innovation while case company findings in this study support yet another type of innovation that is managerial innovation. Managerial innovation refers to *how* HGRI MENA firms' entrepreneurs chose their markets and *why* they went to insufficiently infrastructured host countries instead of countries with high institutional competencies and liberal economic policies. In conclusion, although there is a fit between extant theory and findings for the concept of the essentiality of innovation, the author's findings suggest extending the theory to include the new concept of managerial innovation in addition to technical innovation.

This research finding confirms the importance of the leader's role in realizing the full potential from a firm's resources. In agreement with Sirmon, Gove and Hitt (2008) who showed that not only leaders' context specific resource bundling and deployment actions affect performance, but that the importance of their actions increases as rivals' resource portfolios approach parity. The interpretation of analysis validates that the core competencies of HGRI MENA firms were their unique abilities acquired from their leader entrepreneurs and developed through their entrepreneurial team members, and were not easily imitated. These core competencies were what gave the HGRI MENA firms their international competitive advantages, in creating and delivering value to their customers. The role of leadership in the entrepreneurial and strategic management of the HGRI MENA firms is discussed in the following section.

7.5 Entrepreneurial Strategy and Distributed Leadership

Although leadership is the resource most distinctive to a specific organization, effective leadership processes are fundamental to the development and growth of new international ventures and to the provision of entrepreneurial leadership in established corporations.

The findings from the case companies confirmed leadership to be both a resource and a valuable process of management for the HGRI MENA firms. Leadership ability

revealed in the case studies by the founders, as they initiated their firms' internationalisation and growth processes was instrumental in leading and driving firms through entrepreneurial teams. All case companies in this study suggested that their lead entrepreneurs possessed strong guidance approaches as they worked with entrepreneurial team members to initiate viable initiatives for the future of their companies. All entrepreneurs and founders of the case companies displayed characteristic entrepreneurial features with high leadership qualities. Leaders of these companies exhibited the dual characteristics of being strategic entrepreneurs through their innovative and pro-active behaviour as well as their acceptance of calculated risk and nurturing an entrepreneurial culture.

The characteristic features of each of the case firms supported the notion that while the original entrepreneurial ideas and vision grew within the head of one person (that is the leader/entrepreneur), the subsequent growth and enactment of the vision, as well as the further development of this vision, is equally attributed to the impetus and engagement of the entrepreneurial teams formed to lead and manage their companies. Leadership in the HGRI MENA firms resulted into team efficiency and competence. This was a consequence of the lead entrepreneurs' valuable ability to envision, maintain flexibility and work with others to initiate changes that create a viable future for the firm. Interviews and participant observation at the HGRI MENA firms revealed how lead entrepreneurs' established clear visions and developed strategies that focused on both opportunity and advantage within that visualization. That, in turn, enhanced opportunity identification and exploitation as well as the strategies formulated to achieve the firms' development. Case Company G head explained his leadership role by explaining how he differentiated between leadership and management:

"To me, leadership was setting a new direction and vision for my group that they follow; I was the spearhead for that new direction... At the same time, I gave my team leaders management controls such that they directed people and resources in our group according to principles and values that have already been established."

Additionally, other lead entrepreneurs highlighted how by maintaining flexibility during their internationalisation and growth processes, they managed to balance the

structure of firm with freedom to implement and change strategy which in turn facilitated quick response to change. The HGRI MENA firms' entrepreneurs/leaders and managers regularly assessed their firms' core resources and competencies to ensure they were developed and reconfigured. To many of them, maintaining flexibility guaranteed competitive and sustainable advantage. The continuous search for new sources of competitive advantage, whilst preserving a sense of unity and coherence in their firms' culture, was an outstanding attribute that HGRI MENA leaders grasped and mastered through their internationalisation journeys.

This was evident during the participant observation undertaken by the author; as it was the leaders' wish to emphasise that had it not been for the general entrepreneurial culture nurtured by these firms, none of the valuable initiatives to create and exploit new business opportunities would have accomplished.

An emergent finding in the theme of strategic entrepreneurial leadership was that the entrepreneurs' success in diversifying their successful business activities to create companies in different parts of the world, was mainly due to the fact that they had capable managers to whom they could delegate and entrust the tasks. As one CEO suggested they rely upon members' teamwork, commitment and leadership to grow rapidly across the globe and become world leaders in their field. This belief was shared by almost all case companies during the interviews and participant field observation enquiries.

Case Companies leaders reinforced these views of what they labelled *Distributed Leadership*; this meant they as founders drove, encouraged, motivated and worked with entrepreneurial team members to initiate viable initiatives for the future of their companies.

The development of entrepreneurial teams for distributed leadership was what leaders concluded to be an exceptional element in their respective firms' superior performances as they rapidly internationalised. More than one leader agreed with Case Company Q's entrepreneur that:

“... the characteristic features of each of our companies was [as follows]: while the original entrepreneurial ideas and vision grew within the head of

one person [that is the founder/entrepreneur], the subsequent growth and enactment of the vision, as well as the further reinvigoration of and development of this vision, is equally attributed to the impetus and engagement of the entrepreneurial teams formed to lead their companies.”

Other examples from Case Company H’s interview excerpt confirm this notion as he elaborated:

“Leadership is not about a one man operation; it is leadership by entrepreneurial teams that are constituted of individuals that are well educated, carefully selected and meticulously trained and importantly also possess entrepreneurial traits. These entrepreneurial team members share their firm’s vision because they have been integral in building this vision.”

Other Case Companies’ entrepreneurs deemed their support of this emergent theme of distributed leadership to be instrumental in their respective firms’ high growth and rapid internationalisation. While the lead entrepreneurs of these firms acknowledge their central role in the creation of their firms, most of them claim that their firms could not continue to survive and operate without their presence as they are managed efficiently by capable entrepreneurially minded team members. Another viewpoint that supported the distributed leadership was made by Case Company J’s entrepreneur, who added a crucial point in the understanding of the essence of distributed leadership:

“As all members of these entrepreneurial teams are shareholders, the teams’ bonds are strong and that strength is based on trust and mutual interest in growing profitable businesses.”

Thus, the findings of this research agree with Covin and Slevin’s (2002) notion that entrepreneurial leadership is the ability to influence others to emphasize opportunity-seeking and advantage seeking behaviours. Interpretation of the findings agree with Gupta, Macmillan and Surie (2004) that entrepreneurial leaders create visionary scenarios that can be used to assemble and mobilize a supporting group in the firm that is committed to opportunity discovery and exploitation. As presented by the analysis of the findings, entrepreneurial leadership constitutes leaders with strategic vision and managerial talent, which confirms Kuratko’s (2007) conceptualisation. Entrepreneurial leaders’ in this study exhibited combinations of managerial and visionary leadership; they had strong, positive expectations of performance; they formulated and implemented strategies that enhanced their organisational growth and

success. This is in agreement with Ireland *et al.*, (2003) and Kuratko's (2008) advocate that growth orientated firms need to adopt a competitive mind set in which they display flexibility, speed, innovation and strategic leadership. Through effective application of entrepreneurial strategic leadership, MENA growing firms adapted their behaviours and exploited new business opportunities. The concept of entrepreneurial leadership fits well with the behaviour of case companies from this study. As for the distributed leadership, it is a theme that emerged from the findings in this study and has not been addressed by the SE literature so far. To this extent, the theme may contribute to the development of new knowledge in SE literature.

Case Company M's entrepreneur suggested that instead of distributed leadership, he thought his firm adopted what is often referred to as "participative management"; he described this as a potentially very effective form of leadership. In that approach, a new direction may seem to emerge from the group rather than the leader. However, the leader facilitated that new direction whilst also engendering ownership within the group; this is an advanced form of leadership. M's entrepreneur, who had a post graduate degree from Wharton Business School, further explained his viewpoint as follows:

"... sometimes, an individual may act as a figure head for change and be viewed as a leader even though he hasn't set any new direction. This can arise when a group sets a new direction of its own accord, and needs to express that new direction in the form of a symbolic leader."

These findings are in line with Ghoshal and Bartlett (1995), who pointed to the example of a few successful companies like GE, ABB and Toyota, that have broken the mould and, as well, rejected the principles of the multidivisional doctrine. These companies employed an emerging management model which the authors argued was not new organizational structure, but a new set of key management processes, as well as new roles and tasks of managers at different levels needed to carry out these processes. The core processes were: entrepreneurial (encouraging initiatives); integrative (linking and leveraging competence); and renewal (managing rationalization and revitalization). Each process needed a new management mindset to carry it out.

The HGRI firms' entrepreneurs believed that empowerment in entrepreneurship was a management practice of sharing information, rewards, and power with employees so that they can take initiatives and make decisions to solve problems and improve service and performance. Empowerment, to the entrepreneurs, was based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well as holding them responsible and accountable for outcomes of their actions, would contribute to their competence and satisfaction. The entrepreneurial teams of different internationalising firms were the entrepreneurs and manager team members of those companies that internationalised successfully. The entrepreneurial teams' capabilities were expressed in the form of their background, foreign work, experience and their international, global vision. The findings of this study have revealed that new ventures led by managers with foreign work experience were able to internationalise rapidly and successfully. The utilisation of the professional skills of the entrepreneurial teams as well as the different core processes are examined and discussed in the subsequent sections.

7.6 International Diversification, Portfolio Entrepreneurship and Entrepreneurial Teams

Portfolio Entrepreneurship through international diversification of the different case companies was an evident pattern in all the case companies. Actually this was one of the criteria that the author recognised in the 108 companies that constituted the data set for this research as presented in Chapter six. The drive for international diversification led to the creation of new businesses and thus the creation of business groups. This in turn led to high growth based on the new diversified companies that were a core element of the case company's entrepreneurial process formation.

7.6.1 International Diversification and Formation of Business Groups

Sustained high growth of diversified business was achieved through the set of companies run by the same entrepreneur or entrepreneurial teams. The growth of business groups was envisioned as a means of focusing resources on growth and

developing an entrepreneurial team to which the lead entrepreneur could delegate. This was a recurrent theme observed in all case companies and the following examples were only a few of the total observations. In case companies A, B, C, D, G and all others, it was evident that it would never have been possible to create and form new international companies in various foreign markets, as revealed in the empirical studies of this research, without their respective entrepreneurial team members who lead and managed the new international firms upon their creation.

Case Company C is an example of one of the highly internationally diversified companies that had entrepreneurial teams spread across three continents over thirty-six different countries, constituting sixteen different international companies, which in turn had 16 sets of entrepreneurial teams overlooking the respective companies.

This study confirms Capar and Kotabe (2003) and Hitt *et al.*, (2006a) description of international diversification as a growth strategy whereby firms seek market opportunities offshore; further they portrayed the activity as an internationalisation process. International diversification in the case companies was therefore, how firms used the same set of service offerings to diversify into new markets. Additionally, firms in this study differentiated its products and service ranges and sometimes diversified into new functions within the value chain by integrating vertically. That is, firms utilised the same set of core competencies but applied them to new geographical contexts, thereby internationally diversifying their businesses. Findings are in agreement with Hitt *et al.*'s (1998) explanation, that the firms' ability to succeed through international diversification requires their overall capability to achieve both revenue and cost benefits. This confirms Eisenhardt and Martin's view (2000) that such activity entails a set of dynamic capabilities that includes the ability to structure foreign business units effectively.

International Diversification was shown to enhance the formation of entrepreneurial business groups in the case companies examined in this study. Growth was sustained through international diversification by entrepreneurs who started new additional firms. The drive for international diversification and product differentiation in new businesses allowed entrepreneurial groups to expand and develop faster. Sustained high growth of diversified business was a significant element of the entrepreneurial

phenomenon achieved through a set of companies run by the same entrepreneur or entrepreneurial team. Table 7.4 summarises the analysis of findings of international diversification and business group formation in the case companies of this study.

7.6.2 Portfolio Entrepreneurship

Motivations for portfolio entrepreneurship were shown to include entrepreneurs who invested in several sectors of industries at the same time and who were thus able to move their capital between various enterprises as international market conditions required. There was evidence in the majority of the case companies analysed, of the international diversification undertaken by entrepreneurs who invested in different industrial sectors in order to maximise profit generation possibilities and minimise risk resulting from the collapse of possible other industries. Family Case Company L invested in construction, fast food chains, telecommunications and financial institutions. Case Company M's group diversified their business activities to eye hospitals, optics and accessories, tourism hotel management, furniture manufacturing and agro business production. These two groups are the only examples of how their diversification strategies enhanced the formation of large business groups to accommodate the different businesses under one holding company. Case Company K Group was another example of diversification of activities into different industries and geographical, international markets, which channelled them into forming more than one business group to handle sixty-four different operating multinational companies.

Business-owning families, who engaged in portfolio strategies for the development of opportunities for offspring or wider family members, was yet another motivation for portfolio behaviour in case companies. When one of the sons of Family D wanted to expand the business internationally, the father made another son sell out one of his companies to fund his brother's new international business opportunity. Motivations for portfolio entrepreneurship were shown to include family business division for the succession of family members. Evidence revealed Case Companies A, C, D, M, Q and R family members each had their own set of companies constituting business groups in a subtle division of business to accommodate family succession. This behaviour was directed only to accommodate family succession as each brother had

full control of his own business group, yet each one had shareholding stakes in their brothers companies. Case Company N group started as a consolidated family business and was split between two brothers, thus sustaining the succession of business through division.

Case	Theme	Description and Analysis
<p>Cases A, C, D, E, J, L, Q and R</p> <p>Cases B, F, G, H, K, L, M, N, O and P.</p>	Diversifying internationally	<p>These companies used international diversification as their growth strategy overseas. They did not differentiate their product base, but on the contrary, they decided to expand internationally by diversifying into new markets. They provided the same services and products but in new geographical markets. Utilising their tacit knowledge, they were able to harness their know-how to initiate new companies in different foreign locations.</p> <p>Similarly these companies diversified internationally by forming new companies but also they diversified by differentiating their products and service ranges as they identified more new opportunities that they grasped and exploited through the establishment of new firms.</p>
All cases	The role of entrepreneurial teams in growing and forming international business groups	<p>In addition to the founder entrepreneurial mindset, the quality of the entrepreneurial team he builds around him was key to the on-going strategic entrepreneurial advancement of the international businesses.</p> <p>By empowering the entrepreneurial teams, the founding entrepreneur is freed up to continue discovering new opportunities whilst leaving the actual management and leadership of newly established ventures to his colleagues. This process enabled the entrepreneur to create additional firms that were managed by other team members which facilitated the formation of business groups.</p>

Table 7.4: Diversifying Internationally and Formation of Business Groups
Source: Author

Portfolio entrepreneurship, in this research, uncovered another family business interest in the search for alternative income opportunities when the core business

faced unfavourable market conditions. For example, when Case Company D faced a bust in the construction industry, it immediately embarked in a new line of industry to support their original activity (i.e. construction business). This was done via the acquisition of a brewery plant, which was a very successful business and helped to steady the family income while the bust continued for a period of three years. Case company S's core business of construction was hit during the recession period in 1998, and like I's CEO, he searched for an alternative income opportunity through diversification by investing in an assembly plant for Mercedes cars in Egypt. This turned out to be a fortune making venture, as he performed efficiently in this new activity such that he became a regular exporter of Mercedes cars manufactured in Egypt to China under license from the German mother company. This international diversification into other business activities led to sustained growth within the group

Analysis of other case company findings revealed that the construction industry had helped a number of firms to grow fast and achieve supernormal profits during boom periods. Yet, the volatility that persists in the construction industry was also the cause for a number of companies to diversify into new activities during bust periods. Furthermore, these companies tried to sustain their international operations in the face of worrying, cyclical booms and busts that riddle the construction industry.

Analysis of the findings from this research is in agreement with Iacobucci and Rosa's (2005) concepts of portfolio entrepreneurship when explaining how international diversification enhanced the formation of entrepreneurial business groups. This was found to be a crucial inherent characteristic among all theoretical samples investigated in this research. The quantitative analysis also revealed that the full set of the 108 companies comprising the constructed data set of the MENA regions' high growth and rapid internationalising firms (see appendix B), exhibit the existence of diversification and differentiation behaviour among them that enhanced their ability to form business groups.

The findings showed that the L Group continuously identified new opportunities whilst operating within their main lines of business. For example, when running their fast food chains they identified opportunities in poultry and cattle farming etc.; thus they diversified by vertically integrating their supply chain activities and forming

new companies through exploiting these opportunities to meet their existing needs. These new entities were soon to become large MNEs that not only served the initial needs of the mother company but also expanded to serve the needs of a wider customer base across the MENA region and in some cases, spreading into Eastern European countries as well. As the findings suggested, the Arab Poultry Company (APC) which started as a venture (opportunity) for L Group to serve their needs for their fast food chains soon expanded to position itself as one of the largest poultry producers in the MENA region and some eastern European countries, like Albania. These highly diversified activities required the formation of business groups, hence a perfect match with what Rosa's explanation (1998: 44):

“... in which the entrepreneur is constantly identifying and evaluating new opportunities...Over time a significant portfolio of surviving venture (acquired or founded) can be formed.”

This research agrees with Wiklund and Sheppard (2008) that the entrepreneurs pursued and protected their portfolio activities through human capital (education and start up experience) and social capital (business networks and links with governmental support agencies). These elements of portfolio entrepreneurship were evident in the behaviour of entrepreneurs/founders of case companies from this study as previously explained.

Portfolio entrepreneurs protected their entrepreneurial activities by exploiting other sources of social capital such as their links with governmental support agencies as suggested by Wiklund and Dean (2008). They did so by strengthening their relationship with different government bodies in different local and international markets. Government regulations differed in new international markets and were sometimes an obstacle in the path of business opportunity exploitation as founders' tried to establish their performance in these new markets. It was observed in the findings of the investigated case companies that most of the entrepreneurs and entrepreneurial teams kept an on-going positive relationship with different governmental organisations that were instrumental in minimising bureaucratic challenges facing their international growth process. This was, of course, a sensitive topic that most entrepreneurs shy away from explaining how they maintain strong connections with key personnel in the governments of the respective countries they

work with, but they were however, quite generous with gifts and goodwill gestures to sustain and smooth on-going relationship in these new markets. A few entrepreneurs expressed the importance of having a department allocated for overseeing and keeping up to date with the abundance of governmental rules, regulations and legislation that were inherent in many of the countries that the entrepreneurs did business in. Such a department ensured that there was a smooth management of the on-going projects by investing in building strong relationships with the different government bodies and staff members. Findings revealed that governments of the new international markets acknowledged these relationships as a means of partnering with the case companies in order to build their own economy.

For example, Case Company C established a new division in Guinea to oversee the smooth construction of their cable plant and later on to maintain a trouble-free operation in this new international market which sustained a regular high performance. Later with the help of the governmental agencies and bodies, it managed to export to other African countries. Case Company R's entrepreneur expressed the importance of regular free samples, promotions and gifts as a public relations tool that their company employed with government agencies in all international markets in which they operated. This was necessary to ensure the uninterrupted running of operations through keeping government agencies and members content. Entrepreneurs pursued and protected their international diversification activities through this "social capital" of maintaining relationships with government agencies as was highly exhibited in the case companies investigated in this study, and fits with the theoretical concepts of Wiklund and Sheppard (2008) portfolio entrepreneurship literature.

7.6.3 Entrepreneurial Teams

Business groups' formation led to the formation of entrepreneurial teams to manage their companies' growth and international diversification. To be able to diversify into different international markets business founders depended on their internal entrepreneurial team members of managers to run these new entities. Thus, it was evident in all case companies that were investigated in this study, that the formation of entrepreneurial teams was crucial to the international growth, diversification and

success of their business groups. The author's interview with Mr C3, the CEO of Case Company in Africa West, who was responsible for Cameroon, Guinea, Ghana, and Sierra Leone, revealed that it was of paramount importance that the entrepreneurial team member i.e. himself, was not only the manager of businesses in 4 different countries in Africa but also a shareholder in the Group and a dynamic member of the strategic executive committee that was responsible for major strategic decision-making for the whole business group. He had the authority not only to identify and locate business opportunities but also to enact these opportunities through financing the different contracts, and to exploit these opportunities via initiating relationships and governmental contacts that required expenditures and "gifts" that is a feature of doing business with some African governmental agencies.

Similar patterns were identified with Mr P2, the CEO of Case Company P in Egypt who was similarly responsible for identifying, enacting and exploiting new international business opportunities in the field of poultry farming, tourism, real estate and construction projects; this much diversified set of activities entitled him to create new international firms in different industrial sectors. Thus Mr P2 was responsible for the creation of new firms and new business groups within the holding company of Case Company L business group.

Mr A2 was an entrepreneur who worked with the founder of Case Company A for two years before they decided to internationalise into Italy and form the new company of Weather International. According to A's CEO, it was evident that without Mr A2 the formation of Weather Company which later on became Weather Holding Group, would not have been possible. His entrepreneurial team leader role was pivotal in overseeing the management and execution of this company's formation and later of the activities of the business group. For E's CEO to be able to operate resorts in 6 different countries in the world across Africa, Asia, and Europe, he had to depend on his entrepreneurial teams of managers to run, organise and control the management of these resorts that constituted his business group. Similarly, the founder of Case Company Q's Group who had 120,000 employees spread over 42 countries, in a number of miscellaneous business activities, emphasised the obvious importance of his entrepreneurial teams in the successful

international management of his operations. These findings are in agreement with Loane *et al.*'s (2007) study that supports similar impact that internationalising teams had in creating the core internal capabilities and leveraging the external resources required for rapid internationalisation.

By growing through international diversification and setting up new companies, responsibility fell on trusted entrepreneurial team members from within their companies to continue management and control of these new entities. This confirms the attention drawn by Iacobucci and Rosa (2010) to the vital function of entrepreneurial teams in managing and sustaining growth and profitability of their respective companies and groups and that is why the lead entrepreneur ensures that the entrepreneurial teams have shareholding stakes in their companies. Analysis of findings also agrees with Mike Wright's (2009: 13) emphasis that the significance of "the nature of compensation for management poses important issues for strategic entrepreneurship since it can influence their time horizons and hence their strategic behaviour" especially in relation to "ownership rights"; (this) is "crucial for entrepreneurship since they permit the entrepreneur to make decisions about the coordination of resources to gain entrepreneurial rents, in return for bearing the uncertainty associated with owning those resources."

Portfolio entrepreneurship literature focuses on how business group formation leads to the formation of entrepreneurial teams. However emergent findings from this study suggest that entrepreneurial teams enabled the founders to form new internationally diverse companies due to the existence of entrepreneurial managers within their original companies. This indicates that the formation of business groups can lead to the formation of entrepreneurial teams as much as entrepreneurial teams can lead to the formation of business groups, thus portraying a two way driving force for international growth. This is an additional emergent theme that the case companies exhibited as the lead entrepreneurs clearly highlighted the crucial role of what they called "distributed leadership."

It was evident that Case Company J's new way of giving shareholding ownerships to some of his employees was one of the main motivating forces driving his new international company formations. In the year 2000, it was not a very common

management style, in the MENA region, for a lead entrepreneur/founder to make his employee's part owners of his company. However, by doing so, Mr J ensured that the regular employee turned shareholder had an incentive to lead the company's international growth successfully.

Other case companies exhibited a similar fit with the literature when they demonstrated the possibility of business group formations through entrepreneurial teams. In addition, the findings extended the theory by offering this new perspective on the strategic behaviour of lead entrepreneurs to legitimate some of their team members from their original businesses to become effective partners with shareholding ownership. Lead entrepreneurs/founders considered this strategic decision to be a crucial element of their international diversification and hence business group formation and thus successful sustained growth via portfolio entrepreneurship.

7.6.3 International Churning

Another form of diversification that was identified in the case studies analysed was the emergent concept of "Churning", a concept not as yet acknowledged explicitly by entrepreneurship literature. When case companies wanted to operate in foreign locations but were unable to do so by operating under the name of their current legal entity (i.e. nationality), the case companies overcame such an obstacle by buying a new company in their target country (e.g. in America or Europe). In so doing, case companies were able to operate under the new country's flag in different parts of the world. Examples of such behaviour were prevalent in case companies like Case Company D, who had to purchase BESIX, a European company, and Contrack International, an American company. Thus, it managed to operate as three distinct and separate brands. One of the companies targeted large industrial and infrastructure projects principally in Egypt and MENA region; the other undertook major commercial, industrial and infrastructure projects throughout Europe and the Gulf countries; and the last one pursued institutional projects in the USA and Central Asia. This behaviour was found to be repeated as a pattern in a number of the case companies analysed in this study, and it was considered to be one of the tools of

diversification that led to the high growth and rapid internationalisation of the case companies.

A number of examples illustrated different forms of international churning. One of families of the case companies divested its interests in a fast food franchise, in the Movie production company, and in a beer beverages group. The family opted instead to invest in ICT Company regionally and internationally, for the purpose of minimising their risks. The head of the family explained:

"The expansion was normal. We gained experience here that we felt we should utilise in exporting telecommunications and construction services. Unlike exporting a TV set, whose components are imported, services are 100 per cent Egyptian. But here the export of services is still much undervalued, although this employs lots of Egyptians abroad."

This example illustrated that the decision to divest and start new line of business or to enter new difficult markets was a form of strategic entrepreneurship decision-making. It was notable that the family had built a reputation for being able to initiate large-scale projects whose fundamentals were so sound that the businesses continued to thrive after being sold to other parties.

Another family decision concerned the Case Company's divestment of its Cement group assets (100%) to the Lafarge Group. This took place in 2008 in order to make a huge profit and diversified their business into a new line of production, which was fertilizer production. Last year the group ranked among the top ten nitrogen-based fertiliser producers worldwide in terms of production capacity. This form of churn, selling a very profitable business to start a new line of business can be viewed as a challenge as one of the entrepreneurs explained:

"It's the challenge, the excitement, the fact that you came from very far and you become, at the last mile, as the last contender, winning. Building this machine..."

Additionally, Case Company J underwent an international churn as he decided to exploit new telecommunications business opportunities in Africa though selling his incredibly successful business MSI with its seventeen subsidiaries to Marconi for just under £1 billion to establish and further grow his business venture in Africa Celtel. This is evidence of the new emerging theme of international churning that associates the international diversification undergone by the entrepreneurs upon their exploiting

of new opportunities through sustaining their high growth and rapid internationalisation activities in different parts of the world.

Similarly, Case Company B's CEO, upon identifying an excellent opportunity in acquiring Alcan Pharmaceutical in Egypt, decided to sell one of his American based companies. This was so that he could merge this highly lucrative distribution arm of Alcan Pharmaceutical to his empire in order to access not only the potential eighty million Egyptian population but also another 40 million African people who were dependent on Alcan's distribution systems. The company sold by Case Company B's CEO was operating successfully and continued to do so after its sale. This kind of international churning had been noticed among the case companies investigated in this study but it was not referred to in the literature reviewed. Thus international churning is viewed as an emergent theme.

Delegation by the lead entrepreneur to an entrepreneurial team as described by Iacobucci and Rosa (2005) was identifiable in all case companies in this study (refer to Appendix B). When lead entrepreneurs started forming companies based on their identification of new international opportunities, it became imperative that they had to delegate the management of the newly formed, international companies to entrepreneurial team members. The findings also support Loane *et al.*'s (2007) notion of the instrumental role played by the internationalising teams in creating core internal capabilities and the continuous leveraging of the external resources required for rapid internationalisation. The development of the multilevel input process-output model for the purpose of providing a richer understanding of the international strategic entrepreneurship construct in line with the research's conceptual framework is presented in the subsequent section.

7.7 Outcome

The processes and actions that comprised strategic entrepreneurial management of resources and capabilities of the HGRI MENA firms generated several outcomes. Of course (as illustrated in the findings) the ultimate outcome was forming other new international ventures and achieving competitive success in the foreign markets. This

section discusses the outcomes of the international strategic entrepreneurship processes that benefited individuals, organisation and society.

7.7.1 Individual Benefits

Individual entrepreneurs gained value when engaging in strategic entrepreneurship (Hitt *et al.*, 2011). For example, many HGRI MENA entrepreneurs' gained satisfaction in developing an independent business and creating value for customers. In addition, their increased financial wealth resulted from venture success. Thus, their international diversification and starting new ventures and operating them successfully satisfied several of the entrepreneurs' needs, including self-actualization.

Entrepreneurial leaders and teams also learned when they created and developed international new ventures; as a result, they built up their personal knowledge stock. Baron and Henry (2010) argued that enhanced cognitive resources, which entrepreneurs acquired through sustained deliberate practices, strongly influenced the success of their subsequent ventures. Thus, the entrepreneurial leaders and teams abilities were enhanced to more accurately recognise, evaluate, and exploit international business opportunities.

7.7.2 Organizational Benefits

Networking and organizational learning were the two main factors influencing the performance and the international entrepreneurial orientation of most of the case companies. In particular, networking influenced the opportunity scanning and evaluation process, through which the entrepreneurs decided to internationalise to hostile markets, leveraging on a consolidated network of relational ties. On the other hand, learning allowed the dynamic reconfiguring of capabilities in order to perform better in terms of products and international markets. Anderson and Jack (2002) argued that social capital is a process of creating a condition for the effective exchange of information and resources. So maintaining a robust social capital "bridge" enhanced the organisations' abilities to improved access to a richer range of resources and information. It also accounted for the "catalytic lubricating" effect of

social capital, because a robust bridge became a more effective channel for easier exchanges (ibid: 207)

Networking also involved suppliers that were connected through an integrated information system in order to reduce costs that allowed internationalisation in other parts of the world. Leveraging on their experience and strong market knowledge, they represented a competitive advantage for a number of the case companies. Organizational learning was built on the individual competences and routines developed over the years and collected and distributed through informal organizational structures and other information system.

Case companies demonstrated knowledge accumulation and distribution processes that permitted the sharing and the dissemination of learning to relevant parties within the organisations. In addition, this phase relates to the integration process in that the new practice was enacted by the organisation to disseminate the new learning. Entrepreneurial members coordinated actions in order to diffuse new activities, changes or routines. Entrepreneurial and management processes allowed new learning to become embedded in the organisation's systems, procedures, routines, practices and structures. That is, learning becomes part of the organisational memory.

7.7.3 Societal Benefits

Entrepreneurs' wealth can have positive societal benefits because it injects more financial capital into the economy and thereby promotes economic growth (Agarwal *et al.*, 2007). Indeed, many have argued that entrepreneurial activity is a major contributor to economic development and growth, creating new jobs and enhanced market valuations (Baumol and Strom, 2007). Yet entrepreneurial activity can provide other benefits to society as well. Social entrepreneurship was found to be an outcome that all entrepreneurs had initiated and empowered in different parts of the world as they internationalised in these foreign markets.

International entrepreneurs developed enterprises with the intent of helping societal members, often those who are underprivileged and have low incomes. They are usually referred to as social entrepreneurs; they established organisations to meet social needs in ways that improve the quality of life and increase human development

over time (Zahra *et al.*, 2008) while benefiting owners in ways that continue revenue flow and allow them to earn a return on their investment.

7.8 Summation and Final Conceptual Model

To conclude, a summation of all themes and processes discussed in this research are presented in a final conceptual model. Figure 8.1 presents the final conceptual model for high growth and rapid internationalising firms from the emerging market of the MENA region. The conceptual model developed the one that was presented in Chapter Three, which involved merging the concepts from the three literature streams (IE, SE and PE). The final model adds the emergent themes to the integration of the three strands of literature.

The model is divided into four major categories that are presented in the form of four columns as seen in Figure 7.1. The four categories are “Subjects”, “Resources”, “Processes” and “Outcomes”. The first category presents the unit of analysis researched in this study and is represented by the title “Subjects” in Column 1. It includes the entrepreneurial actor element represented by the founder/CEO, international entrepreneurs and entrepreneurial team members. These represent the unit of analysis of this research that were the main focus of the investigation of the phenomena under study as they were the driving force behind the high growth and rapid internationalisation of their respective firms from the emerging markets of the MENA region.

Column 2, the “Resources” includes elements that explain the different resources and capabilities that were utilised by the Subjects (international entrepreneur, entrepreneurial teams) to enable them to continuously search for new sources of competitive advantages. The resources and capabilities are used by the subjects as skills and talents to undergo the growth and internationalisation process. However, they also constitute an integral part of the entrepreneur and his entrepreneurial teams’ characteristics. Human, social and financial capitals represent resources. Capabilities are presented by the strategic entrepreneurial behaviour of proactiveness, acceptances of risk as well as technical and managerial innovativeness.

As for the human capital, it enhanced our understanding of how education, knowledge, and business experience are crucial to the internationalisation process as entrepreneurs and the entrepreneurial team members grow and sustain high growth and rapid internationalisation of their firms from emerging markets.

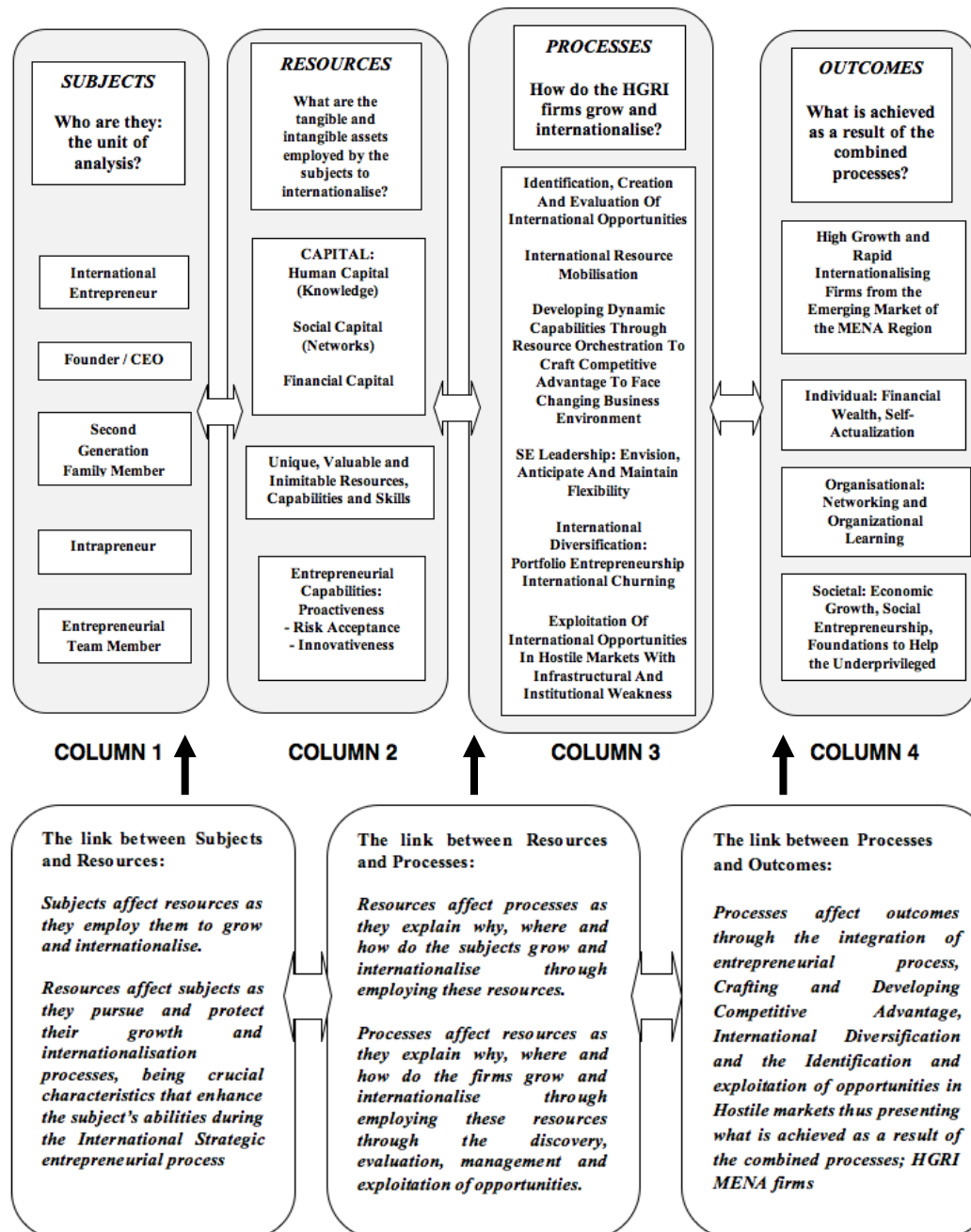


Figure 8.1: Conceptual Model for High Growth and Rapid Internationalising Firms from the Emerging Market of the MENA Region

Source: Author

The social capital of the firms included business networks, customers, suppliers, and governmental agencies as well as the emergent theme of internal networks, which are a crucial element of the firms' high growth and rapid internationalisation. Financial capital included the family resources, the personal savings and the high reputation that enhanced the initial property offerings (IPOs) on the stock exchange markets.

In Column 3, the "Processes" column, there are a number of entrepreneurial and managerial processes that explain how the HGRI MENA firms grow and internationalise rapidly. The elements included the international identification processes that have an overarching effect that constituted the activities of discovery, creation and evaluation of international business opportunities through managerial processes. All case companies of this study revealed the international strategic entrepreneurial process behaviour in all stages of start-up, growth, high performance and sustained high growth as they strategically internationalised into new markets. The identification of new international business opportunities followed by the creation of new firms and the international diversification followed by formation of international business groups, through an exploitation stage, constituted the ongoing entrepreneurial and managerial process identified in all case companies.

The international mobilisation and strategic deployment of resources constituted another element in the "Processes" column. The learning and networking processes, as explained in Section 7.3, represent international utilisation of resources. Developing dynamic capabilities represents another element in the "Processes" column. The dynamic capabilities present the resource orchestration through structuring, bundling and leveraging of firms' resources to craft competitive advantages in the face of changing international business environments. The deployment and management of resources also explains how the international entrepreneur and his entrepreneurial team reconfigure and renew the firm's resources and skills through their strategic entrepreneurial leadership abilities as well as their entrepreneurial characteristics of innovativeness, pro-activeness and acceptance of risk. This is achieved through maintaining flexibility of decision-making processes within firms to ensure a high level of dynamism without sacrificing the structural integrity of organisations. International diversification represents another element of

the “Processes” column. International diversification constituted two important sub-elements, which are the “portfolio entrepreneurship” and “international churning”. Portfolio entrepreneurship explains how international diversification enhanced the formation of entrepreneurial business groups, led by entrepreneurial teams. International churning is another concept introduced by research from this thesis to explain the formation of new firms after divesting old firms.

The last element of the “Processes” column is the “exploitation of challenges”. This was an emergent theme from this study, which explained how the international firms exploited opportunities in hostile markets with insufficient infrastructures and voids in their institutional agencies. Case companies of this study exhibited how they turned the identification of these unusual opportunities into means of competitive advantages as they employed these deficiencies to their own benefit through exploiting the availability or rather the non-availability of infrastructures to construct and introduce new systems, services and products. The exploitation of these opportunities was an important element of the firm’s high growth and rapid internationalisation performance.

The fourth and final column of the new conceptual model for high growth and rapidly internationalising firms from the emerging markets of the MENA region is the “Outcomes” column. This column stated the end result of the combined integration of the previous three columns. High growth and rapidly internationalising firms from the emerging market of the MENA region is a result of the combined processes of international strategic entrepreneurial processes together with the deployment and managing of different resources to create unique competitive advantages that enabled this outcome to exist.

The conceptual model explained who the “subjects” were that constitute the unit of analysis investigated in this thesis, namely the entrepreneur and the entrepreneurial teams as presented in Column 1. It then explained what resources (Column 2) are employed by these entrepreneurs, entrepreneurial teams and the business groups (Column 1) for their growth and internationalisation process as presented in Column 3. The third part of the conceptual model explained how the HGRI MENA firms grew and internationalised through a number of managerial and entrepreneurial

processes (Column 3) through deploying the different resources (Column 2) by the entrepreneurs and entrepreneurial teams (Column 1). Lastly, the conceptual model explained what was the outcome (Column 4) achieved as a result of these combined processes (Column 3). Thus Column 4, which represents the outcomes of the new conceptual model of high growth and rapid internationalising firms from the emerging markets of the MENA regions, was the integrating efforts and activities as represented in Columns 1, 2 and 3. The “Outcome” did not only represent the prevalent literature of IB and IE, but it also incorporated new combinations of the SE and PE streams, as well as emergent themes from author’s empirical research, thus enabling more comprehensive understanding of the phenomena under study.

In conclusion, the final conceptual model suggested by the author, summed up the different categories of the concepts from the literature of IE, SE and PE. It employed the concepts with the emergent themes in addition to the managerial and entrepreneurial processes to present a coherent and comprehensive conceptual framework. The conceptual model could be of use to researchers as it enhanced our understanding of why, when, where and how firms from the emerging markets of the MENA region grew and internationalised rapidly.

Chapter Eight: Conclusion

The aim of this research, as stated in chapter one, was to enhance the understanding of the phenomena of high growth and rapid internationalisation of firms from the emerging market of the MENA region. This aim was to be achieved by answering the fundamental research questions of why, when and how some entrepreneurs from this region discover, enact, evaluate, manage and exploit international business opportunities. This thesis also makes a basic important empirical contribution. It provided data for the first time on the number and nature of HGRI firms in the MENA regions; and it explored the managerial processes during the growth and internationalisation of these firms.

An important finding of this research is that strategic management with its obsession with beating the competition and improving market share overlooks the importance of entrepreneurial competitive advantage. This thesis shows how HGRI MENA firms act in contrast, as they are focused on *avoiding* competition by being a first entrant, or by targeting hostile markets which large scale competitions regard as too risky to access.

The key related objectives addressed in this thesis ranged from: empirically deriving profiles of high growth and rapidly internationalising firms from the MENA region; identifying the influential factors that helped in their high growth process; evaluating the factors that stimulated their rapid internationalisation process. Moreover, the objectives included explaining and understanding the entrepreneurial and managerial processes composed of the combined influence of different factors instigating this growth and internationalisation of these firms. It was also hoped to formulate research based management practice and policy recommendations for higher growth rates and rapid internationalising firms from emerging markets.

This study should be seen as an initial effort to explore the role of entrepreneurship in determining economic success of the firms emerging from developing economies. In the process of undertaking this research, the study integrated theories from strategic entrepreneurship research and portfolio entrepreneurship research with that of international entrepreneurship. This integration was undertaken in order to develop a

deeper understanding of the stages of the entrepreneurial and managerial processes as illustrated by the emerging market firms from the MENA region.

This research's contribution to theory is assessed in terms of its evaluation of the fit between the international entrepreneurship theory and the context under consideration, and the increased applicability it offers by integrating the strategic, and portfolio entrepreneurship theories to better explain the behaviour of firms from the MENA region.

This chapter presents the theoretical and empirical contribution of the research, the recommendations for policy and practice, and an evaluation of the study. The evaluation of the study includes the evaluation of theoretical contributions, the generalisability to other emerging market contexts, the evaluation of the methodological contribution, the data validation and the limitations of this research. The chapter ends by presenting possible avenues for future research.

8.1 Theoretical Contribution

This research contributes to theory in a number of ways. The main contributions can be categorised under a number of key findings in relation to applicability. The first area is the applicability of international entrepreneurship theory to the research context. The second area is the increased applicability that this research offers by its integration of IE, SE and PE theories as a means for understanding how these firms grow and internationalise so rapidly. The third area highlights applicability to the role of the entrepreneur and the entrepreneurial teams in the managerial and entrepreneurial processes of discovery, enactment, evaluation and exploitation of international business opportunities. The fourth area this research accentuates is the impact of the pattern of internationalisation into hostile environments with inadequate infrastructures, as a strategic managerial and entrepreneurial process deploying dynamic capabilities to craft unique competitive advantages, and thus achieving sustained high growth and performance in new international markets. The fifth area of theoretical contribution is the extension of the strategic and portfolio entrepreneurship theories into the international context of international entrepreneurship theories.

8.1.1 Applicability of International Entrepreneurship Theory to Research Context

Having identified a theoretical shortfall in the literature in relation to the internationalising of firms from emerging markets (Mathews, 2006; Yakamaha *et al.*, 2008; Peng 2008), this research contributes theoretically by addressing this gap. For the first time firms internationalising from the emerging markets of the MENA region are studied as they expand both into other emerging markets (Rugman and Verbeck, 2004; 2007) as well as into other developed markets (Yakomama *et al.*, 2008; Peng *et al.*, 2008; Mathews, 2006). The studies that do address internationalisation of firms from emerging markets tend to focus on firms originating from the BRIC countries and a few from Asia-Pacific (Mathews, 2006) and the next eleven emerging markets such as Mexican CEMEX (Mathews, 2006) and Turkish Arçelik (Bongalia, Goldstein and Mathews, 2007). Thus, in terms of the evaluation of the fit of international entrepreneurship theory to the context of this research, the contribution of this study lies in its application of the international entrepreneurship literature to address this under researched phenomena.

8.1.2 Increased Applicability Due to Integration IE, SE and PE Theories

The integration of concepts from strategic entrepreneurship and portfolio entrepreneurship theories to that of international entrepreneurship theory contributes to a better explanation of why, when and how firms from the emerging markets of the MENA region exhibit high growth and rapid internationalisation. First, by integrating strategic and portfolio entrepreneurship into international entrepreneurship theories, it was possible for this study to supplement the IE literature research by discussing the development of dynamic capabilities through firms' resource orchestration. The structuring, bundling and leveraging of HGRI MENA firms' resources enhanced the understanding of the international utilisation of tangible and intangible assets across borders. Furthermore managerial and technical innovation enhanced the entrepreneurs' ability to present new ideas and differentiate

both their product and service positioning in the firms' growth and internationalisation process.

Another theme was the concept of leadership which was detailed under the strategic entrepreneurship literature and enhanced the IE literature by emphasising the role of the entrepreneur in driving and managing their respective entrepreneurial firms. By introducing and integrating these SE concepts with IE concepts, this study was able to address *how* firms from the MENA region grow and internationalise rapidly. This addresses the research question of how firms from emerging markets of the MENA region were managed through entrepreneurial leadership that employed strategic decision-making in crafting competitive advantages while deploying the dynamic capabilities of entrepreneurial team members.

The importance of integrating literatures was further enriched when integrating concepts from PE with IE literature. The portfolio entrepreneurship theory offered a wider perspective on both human and social capital in contrast to the limited explanations offered by the forces of knowledge and networks evident in international entrepreneurship theory when explaining accelerated internationalisation. It is the PE literature (Rosa and Scott, 1999; Wiklund and Sheppard, 2008; Iacobucci and Rosa, 2010) that helps in understanding how the entrepreneurs and their entrepreneurial teams utilise that knowledge comprised of education and background experience to achieve high growth and rapid internationalisation as they diversify and exploit new market opportunities. Furthermore, the SE research (Wright, 2009) explained *how* idiosyncratic knowledge of management is a key resource for the entrepreneurs' recognition of opportunities and their exploitation as they grow and internationalise.

Further, integrating concepts from the IE, SE and PE literatures enabled this research to address how entrepreneurs maintained their strategic entrepreneurial process whilst continually searching for new sources of competitive advantage, namely, by employing their network relationships. As IE research (Oviatt and McDougal, 2005) considered the networking force to be a powerful tool for the entrepreneur, it was by integrating SE (Kurkouto and Auldrich, 2009) and PE literature (Wiklund and Sheppard, 2008) that this research explained how entrepreneurs pursued international

growth and diversification through their social capital of business networks and links with government support agencies. The above theoretical contributions were a result of integrating various concepts from IE, SE and PE literatures to enhance our understanding of the high growth and rapid internationalisation of firms from the emerging markets of the MENA region. This integration enabled this thesis to address the research question of why, when, where and how firms from the emerging markets of the MENA region grew and internationalised rapidly.

8.1.3 Extending SE and PE Theories

Another theoretical contribution that resulted from the integration of these three strands of literature, IE, SE and PE was the extension of the literature of strategic entrepreneurship and portfolio entrepreneurship through the addition of the new perspective of international business concepts to both strands of literature. This was illustrated in the analysis of case companies where it was clear those emergent themes of international diversification, formation of international business groups, international churning, international entrepreneurial teams and international entrepreneurial leadership were all revealed in the behaviour of the entrepreneurs as they guided their companies through rapid international growth.

- International entrepreneurial leadership

Efficient leadership processes were fundamental in the development and growth of the new international ventures of this study. International entrepreneurial strategic leadership enabled the HGRI MENA firms to identify, manage and exploit international business opportunities. The distributed leadership approach adopted by the lead entrepreneurs empowered the entrepreneurial team members through the international growth process. This international element in entrepreneurial leadership extends the literature of strategic entrepreneurship.

- International diversification and formation of international business groups

International diversification of HGRI MENA firms was shown to enhance the formation of international entrepreneurial business groups in the entire

population of 108 companies of this study. The high growth was sustained through international diversification and differentiation by entrepreneurs who introduced new business models and started new additional firms. This international element in diversification and formation of business groups extends the literature of portfolio entrepreneurship

- International entrepreneurial teams

Findings from this study underlined the importance of the formation of entrepreneurial teams to the international growth, diversification and success of their business groups. This research disclosed that international entrepreneurial teams enabled the founders to form, grow and sustain new internationally diverse companies due to their shareholding presence in these HGRI firms. The international element in entrepreneurial teams extends the literature of portfolio entrepreneurship.

- International churning

International churning was one of the tools of diversification that led to the high growth and rapid internationalisation of the HGRI MENA firms.

Different forms of international churning were repeated as a strategic choice in a number of the case companies. Patterns of international churning were adopted to minimise risk and sometimes to disperse challenging situations. Divestment was an added form of international churning, which was strategically adopted by some HGRI MENA firms, to maximise profits from foreign business transactions and reinvest in international new ventures. The international element in churning extends the literature of both strategic and portfolio entrepreneurship.

8.1.4 Role of the Entrepreneur and Entrepreneurial Teams

Prevalent literature tends to view multinational companies as being led by highly sophisticated organisational structures rather than being led by entrepreneurs. This thesis, however, emphasises that the characteristic feature of high growth and rapidly internationalising firms from the emerging markets of the MENA region, derives

from the management and leadership of individual entrepreneurs and their entrepreneurial teams. This appeared to be the fundamental way in which such firms maintained extra-ordinary growth in territories across the globe. It is this emphasis by these entrepreneurs and their entrepreneurial teams that enabled the high growth and rapid internationalisation of these firms. The entrepreneurs transferred their personal and strategic skills to the entrepreneurial teams they recruited to lead their firms' rapid international expansion. Entrepreneurial team leadership by well educated, carefully selected and meticulous trained individual entrepreneurs, who shared their firms' vision, played an integral role in the strategic direction of their firms' high growth and rapid internationalisation. The role of entrepreneur and entrepreneurial teams in the management of discovery, evaluation and exploitation of international business opportunities is an additional theoretical contribution made by this study.

The SE literature emphasised the role of entrepreneurial leadership as it explained the ability of entrepreneurs to anticipate, envision, maintain flexibility and think strategically to create a viable and successful future for their firms. However, the emergent theme of distributed leadership of the entrepreneurial teams was uncovered through investigating case companies in this study. Thus the emergent concept of "distributed leadership" extends and encompasses both the role of the entrepreneur and his entrepreneurial teams as they led their firms to international success. To emphasise, this is the first time that high growth internationalising entrepreneurs have been studied In-depth, and the study sheds new light on international business processes. Understanding the success of these entrepreneurs is especially important given their contribution to economic growth and job creation in countries to which they internationalised.

8.1.5 Role of Entrepreneurial Families and Second Generations

This research emphasizes the role of entrepreneurial families and the function of second generations in the internationalisation of firms from emerging markets. The impact of entrepreneurial families in the upbringing of second generations' entrepreneurs extends the literature of internationalisation of firms from emerging markets. Understanding the role played by families to raise awareness of international opportunities and expand resources to access these foreign opportunities

was crucial in the HGRI of the MENA firms. Resources included financial reserves and assets, as well as expanded influential networks and international market experiences. Findings from this research highlights the second generation's involvement in the businesses triggered rapid internationalisation motivated by international opportunities in areas often not connected with the domestic markets of the family business. Their education abroad and a diversity of networks empowered their ability to develop new international business opportunities albeit the risk involved. As shown may of the second generations family members internationalise from inception away from the original local family business. This extends international business literature which conceptualises that family firms internationalise their business only after consolidating their position in their domestic markets (Graves and Thomas 2006, 2008).

8.1.6 Pattern of Internationalisation

The pattern of internationalisation into hostile environments with insufficient/inadequate infrastructure and inefficient institutional markets was an outstanding finding that enhanced the explanation of the firms' behaviour. Understanding the success of entrepreneurs leading high growth internationalising firms from the emerging markets of the MENA region, sheds new light on international business processes and has helped address the knowledge gap of how and why firms grow and internationalise rapidly. Emergent themes from this thesis brought to attention the previously unexplored area of how high rates of business growth are achieved through an entrepreneurial internationalisation process of firms investigated. The conceptual model indicated that the emergent themes of "exploitation of challenges" are an integral factor in the growth and rapid internationalisation of the case companies in this study. The investigation of these case companies illustrated how these firms turned the identification of challenging opportunities into competitive advantages and deployed these deficiencies to their own benefit. These firms identified and exploited the challenging opportunity of inefficient institutional competencies, insufficient infrastructures and hostile markets. It was through the non-availability of these infrastructures, that the firms managed to construct and introduce new systems, services and products. The introduction of

these new systems and infrastructures led to the creation of new jobs and the development of economies in the new markets. It is worth noting at this stage of the discussion that the theoretical contributions presented in these sections hold broader policy and practical implications, which will be presented in following section of this chapter.

8.1.6 Entrepreneurial and Managerial Processes

This thesis also makes a contribution to the understanding of how emerging economy enterprises grew fast internationally by exploring the interrelated entrepreneurial and managerial processes that were firmly interconnected in the study of HGRI MENA firms, as was disclosed by the interpretation of interviews and the qualitative analysis of the case studies. The HGRI MENA firms exhibited advantage-seeking and opportunity-seeking behaviours that resulted in creating value for the entrepreneurs, their organizations, and the whole society. The behaviour of these firms involved actions taken to exploit advantages while concurrently exploring new opportunities that sustained their disposition's ability to create value across time. So, both processes, the entrepreneurial and managerial have been integral in enhancing the explanation of the high growth and rapidly internationalisation of these firms. Chief among these processes were internationally mobilising and utilising resources to manage the firms' operations; development of dynamic capabilities to sustain entrepreneurial behaviour through innovation and proactiveness; entrepreneurial strategic leadership; international diversification and the formation of business groups.

8.2 Empirical Contributions

This thesis also makes a basic important empirical contribution. It provides data for the first time on the number and nature of HGRI firms in the MENA regions. By empirically compiling a dataset of the population of these firms, in-depth profiles of these wealth generating, high growth and rapidly internationalising firms have been constructed.

This thesis contributed to knowledge by addressing theoretical and empirical gaps. It addressed the empirical gap of how entrepreneurial firms based in the emerging markets of the MENA region experienced high growth and rapid internationalisation. As indicated by Yakomawa *et al.*, (2008) the internationalisation of new ventures from emerging economies remained an incomplete area of research. As discussed earlier, IE literature tends to address the internationalisation of SMEs from developed countries only. This thesis extends the IE literature by investigating firms from emerging markets, and it does this through integrating other strands of literature from SE and PE with IE to highlight that firms from the case companies investigated in study, have MNE status and have internationalised from emerging markets to other emerging markets and into developed economies. The strategic management of the entrepreneurial processes of discovery, enactment, evaluation and exploitation was an evident overarching theme guiding the investigation of this research and was crucial in enhancing understanding of how firms from emerging markets of the MENA region grew and internationalised rapidly.

8.3 Recommendations for Management Practice and Policy

The Management practice recommendations made in this thesis can be divided across two levels: the managerial/founder/entrepreneurial level and the firms' structural level, and are followed by policy recommendations concerning governmental agencies and informal institutions.

8.3.1 Managerial/Founder/Entrepreneurial Recommendation

It is evident from the successful case companies investigated in this thesis that the role of the entrepreneur/founder/manager was crucial in building and leading a successful business in the international environment. In line with the outcomes discussed in the thesis, recommendations of a practical nature are provided for consideration by other entrepreneurs within the MENA region who aspire to international growth and success for their own companies. These practical recommendations are listed and discussed in turn below. However it should be noted that many of the recommendations are interlinked.

- **Internal Networking:** internal networking by entrepreneurs, their employees and entrepreneurial teams can be an important factor that enables opportunity identification both within and outside the firm that could be an untapped resource for competitive advantages. Thus entrepreneurs should encourage such internal networking in addition to networking with business communities and government agencies. This allows them to enhance the social capital of their own employees both internally and externally. This recommendation is based on mirroring the high performance and achievement of case companies investigated in this study, which have all demonstrated and emphasised the important use of internal networking.
- **Enhancing Human Capital:** human capital in the form of education, tacit knowledge, work experience, start-up experience and international exposure are all personal traits that top-flight entrepreneurs continuously developed and acquired in the case companies and thus could be a source of practical intelligence for other firms interested in achieving high growth and rapid internationalisation. In addition, chief entrepreneurs/founders should also continuously ensure the development of these traits in their entrepreneurial team members and employees. This can be done through allowing employees to train on the job as well as to undertake internationally accredited courses and further education such as MBAs. It also must promote acquisition of tacit knowledge of both domestic and international markets through allowing employees to train in different territories.
- **Recruiting Entrepreneurs and Encouraging the Entrepreneurial Process:** this study identifies the importance of recruiting candidates who have an ability to be entrepreneurial. This would involve individuals who are able to anticipate, envision and think strategically with others, to initiate changes that will enhance a viable future for their firms. They also should have the ability to be proactive, innovative and flexible. These entrepreneurial characteristics facilitated the continuous search for new sources of competitive advantage through identifying and exploiting

opportunities. It was these characteristics evident in individuals that allowed the case companies to grow rapidly and internationalise into different territories. It was apparent that founders of case companies encouraged entrepreneurial thinking and behaviour of staff members not only upon recruitment but also as an essential part of their development.

- ***Teambuilding and Enhancing Trust:*** while the entrepreneurial founders were central to the creation of their firms, most of them claim their firms could not have continued to operate without their entrepreneurial teams. The teamwork bonds are strong and that strength is based on trust with the members of the management teams displaying considerable loyalty to the firms and each other. This is also helped by mutual interest, as most of the key managers involved possess shareholdings in their respective firms. Shareholding in the company by key managers is not the norm in most firms from the MENA region that tend towards a hierarchical structure and prefer not to involve employees in shareholdings. Based on these findings this study highlights the importance of embedding entrepreneurial teams into the organisational structure of the firms and creating a climate of mutual trust if high performance and growth in international markets is to be achieved.
- ***Strategic Thinking:*** *change management, international diversification and churning.* Entrepreneurs and entrepreneurial teams manage their firms through a set of innovative and strategic management practices that enhance internationalisation and growth while developing the dynamic capabilities of their firms. Strategic and innovative management practices include identifying opportunities in hostile territories with inefficient institutional structures and insufficient infrastructures. They manage to create a source of competitive advantage from these challenging conditions and exploit them in such a manner that they lead their companies into high growth and rapid internationalisation in these new markets. This study recommends strategic entrepreneurial thinking through the deployment of firms' resources in a unique manner to initiate

change that enables entrepreneurs and entrepreneurial teams to create viable futures for their firms

8.3.2 Structural Level

The structural level recommendations include three categories:

- ***Distributed Leadership:*** entrepreneurial firms in this study were found to distribute their leadership role and authority to entrepreneurial teams working across the globe to manage and operate their respective firms. This feature of the firms' structure and organisation enabled them to diversify internationally, build new business groups and undergo international churning. At the same time the creation of business groups requires the formation of entrepreneurial teams to manage the groups' activities as they grow, diversify and internationalise. Thus this study suggests that adopting a distributed leadership style and structure can potentially lead a firm to high growth and rapid internationalisation. Thus building entrepreneurial teams could be an alternative organisational structure for consideration by companies from emerging markets.
- ***Employee Involvement and Intrapreneurship:*** this can take place when the lead entrepreneur gives a share of the new company to an employee to secure his/her involvement in the start-up of a new venture (employee involvement). It also occurs when the new business is established as a result of the inspiration of an "intrapreneurial" employee who then takes major responsibility for the development of this new business. It is the phenomena of "employee involvement" and "intrapreneurship" that are the most widespread and the most interesting. In the case of "employee involvement", the established entrepreneur draws on employee skills to enhance the capabilities of exploiting new business opportunities. In the "intrapreneurship" the entrepreneur facilitates and financially sustains employees who want to develop their own businesses. In the latter case the established entrepreneur must reconcile the new project within the group activities and accommodate the emerging entrepreneur within a

coherent team. Thus encouraging employees' involvement and intrapreneurship activities during the entrepreneurial process of discovery and exploitation seems to be a crucial innovative management practice that firms from emerging markets of the MENA region might adopt, and thus a valuable recommendation to consider.

- ***Business Groups' Formation:*** these are flexible organisational structures that accommodate a wide range of team types in addition to “employee involvement”, as well as that observed in the case of “intrapreneurship”. The different types depend on the characteristics of the new venture, the circumstances that led to its start-up and the people involved. The lead entrepreneur remains the “dominant” figure for the group as a whole; he retains a leading position in the original company of the group and majority ownership in all the companies. However, the lead entrepreneur does not necessarily play a “leading” role in all the new ventures; when an associate (employee or intrapreneurs) entrepreneur is present; it is he who plays the major entrepreneurial role in the new business. The dominant entrepreneur provides the majority of equity capital, facilitates access to external resources (thanks to the reputation gained by the group), and supports the associate entrepreneur in the main strategic decisions. The group form allows the entrepreneurial tasks needed for the start-up of a new business to be shared, which is beneficial for the success of the new business. Building flexible organisational structures through the formation of business groups seems to be the management pattern adopted by the firms from the emerging markets of the MENA region to enhance their probability of success in international growth.

8.3.3 Recommendations for Policy

Most of the policy recommendations derived from research in this thesis are focused at a national and government level rather than a specific industry level. This is due to the fact that this research covers a wide range of industries ranging from manufacturing, service and product development including financial, telecommunication, construction, tourism, water management, waste water

management, electric power generation, infrastructural projects, pharmaceuticals amongst various others. However, this research does provide significant recommendations at country and government level. Arguably this study suggested that entrepreneurship plays a pivotal role in the economic development and growth of their countries. Thus, it is imperative that governments provide a number of incentives both of a financial and non-financial nature to nurture such entrepreneurial activities. Financial incentives could be in the form of tax reductions, enhanced banking facilities, specialised loans and grants, empowerment and energised stock markets, development of investment banks, insurance and leasing companies. Such financial facilities support growing private sector activities and market reforms to ensure stability, development and security of favourable business environment. Key findings from this research implied that such financial incentives were found to be crucial in the development of the case companies' private businesses in their early phase of growth and internationalisation. Market orientated reforms began to take place in earnest in most of the home countries of the case companies investigated in this research but the reforms were uneven and limited by scope and sector application. Although this is an inevitable development process, governments could enhance and speed up the process through the recommendations of offering financial incentives.

In addition to financial incentives, the implications from this research suggest various other incentives of a non-financial nature. Non-financial incentives would take the form of certain political and economic reforms. Political reforms require a more determined role by central government so as to be more focused on ensuring development for their respective countries as a whole. However, by ensuring decentralisation of government and by encouraging autonomy of various regions within nations, it is possible to enhance the support for entrepreneurial activities and for private businesses to grow. Growth will involve creation of more jobs, expand the tax base and generate wealth at higher and faster rates.

Key findings from this research implied that education systems served to maintain and improve the quality of human capital, the true wealth of nations. Thus it is recommended that governments of respective MENA region countries should

continue to have substantial investments in upgrading the coverage and quality of education and to maintain social services to developed standards. Analysis of case companies in this research highlighted the crucial role of education as a major resource of human capital that entrepreneurs and entrepreneurial teams depended upon. Thus providing a skilled work force through proper education and training is an essential element of the entrepreneurial process and is a resource that must be provided by governments; it is a recommendation strongly suggested by this research.

The multinational status of the case companies from this research clearly identified the large numbers of employees that constituted their firms' workforce. Employing a workforce in such large numbers was possible due to the large populations residing in a number of the MENA region countries and the migration of these populations that provided the companies with the needful and appropriate workforce. Thus investing in satisfactory education by those governments from the MENA regions with large populations, could help these governments turn, what is normally seen as a burden, into more resourceful, human capital that countries with fewer population numbers could depend on and indeed firms from their own domestic markets could employ, further benefiting from growth and rapid internationalisation. Based on these arguments it is recommended that not only is it important for governments to provide education facilities but also to be flexible and encourage greater leniency in migration laws between the MENA region countries so that their firms can benefit from an abundance of skilled workforce.

A further recommendation derived from analysis and discussion from this study is how enterprises from the emerging markets of the MENA region, managed to grow and internationalise rapidly due to their willingness and collaboration with governmental and other public bodies in different parts of the world. This was an evident factor for ensuring growth and high performance due to the successful collaboration between private sectors from emerging markets, international governments and public entities. Through discussions with the entrepreneurs and their entrepreneurial teams, the author established that there was eagerness on the part of these entrepreneurs to collaborate with public bodies from their own countries

and together they could enhance their international markets expansion. For example, telecom companies initiated the possibility of working together with the public sectors of landline telephony companies of their own countries, to form business consortia that could grow and internationalise into new unexplored markets where both services are lacking. A further example was for the provision of electric cabling, working jointly with the public sector of an electric authority to grow and internationalise in a new international market that lacked electric generation and power supply. An engineering and construction company could also work jointly with the water and wastewater management public sector authorities to build dams and barrages to be used for irrigation in the new international markets. Thus this research recommends the public private partnership (PPP) format of collaboration to increase the possibilities of high growth and rapid internationalisation of firms from the emerging markets of the MENA region. Furthermore, such PPP collaborations not only ensure private entity entrepreneurial activities, but also encourage entrepreneurial activities within public sector entities that should secure higher rates of growth and better performance of companies.

8.4 Evaluation of the Study

This section evaluates the significance of theoretical and methodical contributions, as well as the generalisability to other emerging market contexts. It also analyses the valuation of data and the limitation of this research.

8.4.1 Evaluation of Theoretical Contributions

The significance of the theoretical contribution lies in its contribution to knowledge. Knowledge addition is a cornerstone in enhancing understanding of how firms from the emerging markets of the MENA region grew and internationalised rapidly. It is the belief of the author that this research finding avoids the parallel pitfalls of the over- and under-socialised explanations that Granovetter (1985) warned of. The participating firms demonstrate competitive economic behaviour and are influenced by different institutions so social explanations have not been privileged over economic explanations. The theoretical contributions of this research lie in highlighting the notions of how these firms operate internationally. These firms

internationalised through diverse service and industrial sectors rather than for example, by reinforcing their persona of oil production and trading companies alone. This research helped in clarifying and reinforcing the role played by firms through their international entrepreneurial and managerial processes that positioned them as world-class competitors in a number of industrial and service sectors. Thus the theoretical contribution of this research allowed us to rethink and reconsider how firms from the emerging markets of the MENA regions were previously visualised.

In addition, the theoretical contribution of this thesis adds to knowledge through the integration of concepts from various strands of international business and entrepreneurship literatures to reveal more comprehensive insights into the phenomena under study.

Furthermore, the theoretical contribution adds to knowledge through addressing gaps in the literature of international entrepreneurship that have not as yet considered literatures pertaining to strategic and portfolio entrepreneurship. On the other hand the theoretical contribution of this research extends the literature of SE and PE by adding the international context to it.

It also addresses the gap of insufficient empirical studies on firms from emerging markets. Previously IE literature addressed mainly firms from developed country contexts and SME status firms rather than the context of this research which is an emerging market context and the firms studied hold MNE status.

To conclude, the evaluation of the theoretical contributions of this thesis has enhanced understanding of firms from the emerging markets through generating new concepts from emergent themes that were evident through the investigation and research process of this study. The possibilities for generalisation to other contexts are outlined below.

8.4.2 Generalisation to Other Emerging Market Contexts

The discussions, arguments and recommendations presented in this thesis are not necessarily only applicable to the firms from the emerging markets of the MENA region as it is possible that the applicability serves a wider audience in terms of other

emerging market firms. In some cases it could be argued that the contributions from this research could be applicable to firms from the more developed markets. The provision of leadership to firms through entrepreneurs and entrepreneurial teams is not simply a characteristic reserved for firms from the emerging markets of the MENA region. It could constitute a facilitative organisation management style that could be adopted by firms from different parts of the world implementing a strategic entrepreneurial vision in the face of business environmental challenges. Moreover, identifying opportunities in hostile markets with inefficient institutions and insufficient infrastructures could be a major competitive advantage that firms from any contextual background might exploit to their benefit. Thus it could be argued that emergent themes from this research facilitate and enhance understanding of how firms in general, can improve their resource deployment and capability building to ensure growth and rapid internationalisation.

The recommendations for policy and practice were derived from a generalisation to theoretical proposition of a relationship between international, strategic and portfolio entrepreneurship, in contrast to generalising from a sample to a population (Yin, 2003). This is a *moderatum* generalisation (Williams, 2000) that interprets aspects of the observed behaviour as instances of a broader set, enabling tentative comparisons. Such a generalisation is in keeping with the epistemological foundation of the study, its inherent emphasis on studying phenomena in context, and so the external validity of the study (in terms of its transferability to other contexts) has not been compromised (Bryman, 2008).

However, the conclusions drawn from this proposed relationship might therefore be cautiously applied to firms in other emerging markets that share similar characteristics and conditions, thus facilitate economic development. The reasons for caution in generalisation stem both from the methodology employed by this study, and from the nature of its subject. Generalisation from interpretive research must be more cautious than that based on probability samples, which may make inferences to a population (Williams, 2000). This study therefore adopts the view that attempts to generalise to other emerging markets should take the form of further research to

explore which characteristics are shared, rather than assuming that any or all will be shared.

8.4.3 Evaluation of the Methodological Contribution

This study should be seen as an initial attempt to explore the role of entrepreneurial and managerial processes in determining the high growth and rapid internationalisation of firms from the MENA region. The adopted multiple case study strategy, demonstrating the inappropriateness of pre-coded quantitative research strategies, has contributed holistically to an increased understanding of the dynamics of the total business processes. Furthermore, it also demonstrated that the key informant technique is the most appropriate method to identify relatively successful businesses in a given context. This was because success as a result of the entrepreneurial processes is both economic and social, and hence relative and known mostly by community members. In spite of these methodological contributions, however, a number of limitations could be highlighted with a view to improvements in the methodology for future research. These are:

- Although this research employed a quantitative preparation technique using different primary and secondary financial sources to construct a dataset on HGRI MENA firms, this study is not however a quantitative one; it is an exploratory qualitative thesis. Compiling a comprehensive dataset for these companies was integral to and an essential part of the qualitative analysis of this research as no dataset of its kind existed prior to this study. The dataset included 108 multinational enterprises from 16 different countries of the MENA region and the industrial and service sectors into which they diversified.
- Although the study was able to demonstrate the integrated and interdependent nature of both entrepreneurial and managerial functions, it was not capable of giving a quantitative measure of how interdependent the entrepreneurial and managerial processes (in relation to various success levels) are. Therefore future research may be focused on developing quantitative measures so as to determine the relative degrees of integration of optimal managerial and

entrepreneurial functions, and their relationship to varying degrees of economic success. Quantifying these figures may be useful in further increasing the confidence of future research findings.

Lastly, this research can also be considered as an initial attempt to establish the applicability of certain international, strategic and portfolio entrepreneurship principles to the high growth and rapid internationalising firms from MENA region.

8.4.4 Data Validation

Using triangulation during the different research stages was an important aspect of the research design of this thesis. To minimise bias stemming from interviewee and interviewer perceptions, triangulation methods were employed and applied throughout the study. Using different sources of primary and secondary data was a crucial source of verification that this research employed. The use of archival data from external official documents, web-sites, internet materials, company internal documents as well as financial and audit reports were utilized constantly during the research process. Context interviews with international bodies and staff members from the World Bank, United Nations, Moody's financial evaluators, Central and commercial bank officials were an integral process to ensure validity.

Therefore the interview data were validated by triangulation at various levels (Ghauri, 2004): amongst cases, between cases and context interviews, between both parties to a business relationship, between the methods of interviewing and observation, and from data to theory. This was intended partly to increase confidence in the findings, but mostly to highlight areas for further investigation where different parties reported varying perceptions, and to uncover asymmetric power-relationships. It was not intended to identify and dismiss non-conforming data, which would have contradicted the abductive approach (Blaikie, 2000).

The study meets standards adapted specifically for qualitative research (Lincoln and Guba, 1985), for example: credibility is demonstrated by the author's long-term association with the field site, analytical generalisability has been shown in the close link between the literature and the research context, and consistency is apparent in the documentation of stages in interpretation. Internal validity was enhanced by the

author's adaptation to a well-constructed multiple embedded case study design (Hamel *et al.*, 1993). That is the selected “firm” was treated as a cluster of units of analysis (Yin, 1994; Eisenhardt 1989). The reliability of interpretation was maximised as far as possible by the choice of language for interview, and the use of questions to confirm the understanding both of the participants and of the researcher. The analysis is reliable in the sense of replicability (Bryman, 2008), as the coding and procedures have been thoroughly documented; an attempt to replicate the data collection would, however, not necessarily succeed in collecting the same subjective interpretations from the participants (Lincoln and Guba, 1985). The risk of inconsistency in the coding of these data was reduced by the establishment of benchmarks, and by frequent cross checking between cases during coding. The reliability of interpretation (Silverman, 2005) is supported by comprehensive documentation of analytical procedures, and the use of systematic methods. It is also increased by the empirical grounding of the research questions in the exploratory study and in the literature.

8.4.5 Limitations

To evaluate the significance of the contributions made by this research, it is important to comprehend the limitations of the study. Since this research was carried out on a new geographical context with no previous experiences recorded by other studies, there were no guiding studies against which this research could be benchmarked. This was a limitation that the author tried to overcome by initially undertaking an exploratory pilot study that allowed for some guidance during the main component of the study. Furthermore, using triangulation methods as discussed in the above sections and in the methodology (Chapter Four), it was possible for the author to benchmark her findings against the opinions of experts from varied backgrounds in the field.

The research does not incorporate an industry specific view point as it investigates companies from different industrial backgrounds, the main criteria being that the companies had to indicate high growth and rapid internationalisation characteristics, irrespective of their sector background. This was a constraint the author was willing to accommodate, since the phenomenon under study had not been previously studied.

Furthermore, carrying out a sector specific study would have proved difficult as there were insufficient cases for individual industrial sectors. Nonetheless, the research provided insights and recommendations that are context specific. The MENA region context is the focus of this research, as a geographical unit rather than individual countries that make up the region; again this was due to lack of a dataset. The author was obliged to construct the first ever dataset for high growth and rapidly internationalising firms from this region.

Another limitation of this study was the exclusion of unsuccessful firms from the emerging markets of the MENA region (except Case Company X). This is why there were hardly any outliers highlighted in the findings, given that the scope of the study was to understand how HGRI MENA firms maintain exponential success in relatively short periods of time. Although the author was aware of the existence of unsuccessful firms, given the time limitations and extent of this study, it was not possible to conduct a more in-depth research behind the reasons for failure or non-compliance of more firms. This could be a very interesting concern for future research to undertake, which is discussed in the following sections.

8.5 Future Research

As indicated above, the limitation of the wide scope of the current study opens up the possibility of a more tightly-focused study in the future. Having laid the foundations for integrating international, strategic and portfolio entrepreneurship theories, the findings of the current study could form the basis for a subsequent study specific to the factors that have emerged as the most important.

An avenue for future research could include a study that employs quantitative analysis methods based on the constructed dataset presented in this research. This newly compiled dataset is the first recorded list of high growth and rapidly internationalising firms from the emerging markets of the MENA region. It is important to test the causal relationships that may exist between certain dependent and independent variables underlining this phenomenon. This may be done to test, for example, the relationship between rapid internationalisation versus the educational background of the entrepreneur/entrepreneurial teams, or it could test the

effect of the strength of the networking forces on the growth of firms as they diversify internationally. Undertaking quantitative research could corroborate and test out what has been revealed by this study qualitatively in the form of the strategic entrepreneurial strand and the portfolio diversification behaviour of business groups through the entrepreneurial team organisation and management.

Another area of further research could be undertaking research specific to certain industry sectors or even to specific country sectors within the MENA region. For example, the author feels that having compiled the dataset it is possible to identify certain industries that show high growth and internationalisation. The engineering and construction sectors follow this pattern of high growth and rapid internationalisation within the MENA region and could be a sector in which further studies can be undertaken. The telecommunication industry is also highlighted as a successful sector by this study that could be investigated as a standalone area of research in future.

Similarly, the country specific context can be conducted as an emergent market scope of research independent of the MENA region as a whole. For example, Egypt is a possible candidate for research as it is one of the next eleven developing countries that constitute large numbers of entrepreneurial, multinational enterprises with high growth and rapid internationalising characteristics. Also Lebanon is another small yet highly entrepreneurial country that constitutes large numbers of entrepreneurial firms that grow and internationalise rapidly in different parts of the world.

Finally, a last possible avenue of future research identified by this study could be investigating reasons for unsuccessful firms that did not grow or internationalise rapidly. Reasons for failure of such firms should be investigated more thoroughly to establish whether or not these firms followed a different model of growth. Another possibility for investigation would be to consider whether there were other reasons that influenced their lack of rapid internationalisation and hindered their growth process in spite of their starting points being similar to the case companies of this study. For example, the author came across two firms that had characteristics of high growth and rapid internationalisation similar to those of the firms in this study. However their political involvement (disruptive networking) hindered their ability to

progress and led to the experience of bankruptcy in one of the cases. Another possible reason for failure, as faced by one firm that the author observed, was due to the inability of the founding entrepreneur to network strategically with the correct governmental agencies in new international markets and thus he was confronted with major obstacles that hindered his growth and internationalisation. These examples show that there could be other existing explanations for unsuccessful attempts at achieving high growth and rapid internationalisation, an area that presents possibilities for future research.

Final Word

At the end of what has been an exhilarating and illuminating journey of exploration of how these MENA firms internationalised and grew so rapidly, the author would like to give the final word to one of the entrepreneurs who participated in this study:

“Who would have thought that starting from scratch in 1998; I would have strung together an empire that stretches from Africa to Asia to Europe to North America and Australia.

This was due to a number of factors... My keen vision to internationalise into new unexplored markets despite of the challenges and risks involved... Building our competitive advantage, as a team, in targeting and operating in hostile countries, so we can explore and exploit all possible business opportunities... Hiring and working with the best people for top jobs, regardless of nationality, and motivating them with generous stock options...

Acquiring KnowledgeDeveloping Capabilities.....

NetworkingNetworkingNetworking.

Thanking God every day for all the blessings that I, my family and colleagues are enjoying”

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Appendices

Appendix A: Theories of IE, SE and PE

Table A.1: Chronological Record of Definitions of “International Entrepreneurship”

Author	Date	Theoretical Statement / Definition Offered
McDougall	1989	International entrepreneurship is defined in this study as the development of international firms or start-ups that, from their inception, engage in international business, thus viewing their operating domain as international from the initial stages of the firm's operation.
Zahra	1993	Defines international entrepreneurship as the study of the nature and consequences of a firm's risk-taking behaviour as it ventures into international markets.
Giamartino, McDougall and Bird	1993	They were heading an entrepreneurship-division wide panel, and they suggested that the domain of international entrepreneurship be expanded.
Oviatt and McDougall	1994	IE is a business organisation that, from inception, seeks to derive significant competitive advantage from the use of resources and sale of outputs in multiple countries.
Wright and Ricks	1994	Highlighted the growing importance international entrepreneurship as an emerging research theme. They suggested that international entrepreneurship is a firm-level activity that crosses national borders and focuses on the relationship between businesses and the international environments in which they operate.
McDougall and Oviatt	1996	Defines IE as new and innovative activities that have the goal of value creation and growth in business organisations across national borders.
McDougall and Oviatt	2000	"A combination of innovative, proactive, and risk-seeking behaviour that crosses or is compared across national borders and is intended to create value in business organisations." They note that firm size and age are defining characteristics here. But they exclude non-profit and governmental agencies.
.Knight	2000	It is associated with opportunity seeking, risk taking, and decision action catalysed by a strong leader or an organisation
Knight	2001	International entrepreneurial orientation reflects the firm's overall proactiveness and aggressiveness in its pursuit of international markets.
Zahra and George	2002	The process of creatively discovering and exploiting opportunities that lies outside a firm's domestic markets in the pursuit of competitive advantage.
McDougall, Oviatt and Shrader	2003	Defined IE as the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services
Jones and Coviello	2005	Defined IE as evolutionary and potentially discontinuous process determined by innovation, and influenced by environmental change and human volition, action or decision
Oviatt and McDougall	2005	They had a final refinement as they defined international entrepreneurship as the discovery, enactment, evaluation, and exploitation of opportunities—across national borders—to create future goods and services.

Source: Author

Table A.2: Development of Strategic Entrepreneurship Concepts and Perspectives

Author	Date	Theory Statement
Mintzberg	1973	The notion of entrepreneurial strategy making was introduced for the first time.
Covin and Slevin	1989	The concept of an entrepreneurial strategic posture within organizations was presented.
Lumpkin and Dess	1996	Extended the concept by introducing the entrepreneurial orientation construct, which they identify as the tendency of organizations to engage in innovative, risk-accepting and proactive strategies.
Covin & Miles	1999	Strategic entrepreneurship can take one of five forms—strategic renewal, sustained regeneration, domain redefinition, organizational rejuvenation, and business model reconstruction
Amit, Brigham & Markman	2000	Strategic management calls for firms to establish and exploit competitive advantages within a particular environmental context while entrepreneurship promotes the search for competitive advantages through product, process, and market innovations.
Eisenhardt and Martin	2000	Of importance for entrepreneurial processes is the dynamic capability perspective that has emerged from the RBV. In unpredictable environments, dynamic capabilities are essential drivers behind the recombination of existing resources into new sources of firm value.
Ireland <i>et al.</i>	2001	Extend and broaden this concept to integrate strategic management as a context for entrepreneurial actions
Hitt <i>et al.</i>	2001	SE can be defined as a process that facilitates firm efforts to identify opportunities with the highest potential to lead to value creation, through the entrepreneurial component and then to exploit them through measured strategic actions, based on their resource base.
Hitt <i>et al.</i>	2001	Entrepreneurial leadership arises when an entrepreneur attempts to manage the fast-paced, growth-oriented company
Kuratko, Ireland & Hornsby	2001	At the level of the organization, entrepreneurship can provide a theme or direction to a company's entire operations. It can serve as an integral component of a firm's strategy and, in some instances, serve as the core or defining component of corporate strategy
Ireland <i>et al.</i>	2003	A firm which linearly and sequentially: employs an entrepreneurial mindset to identify opportunities; manages resources strategically to tackle the opportunity; applies creativity and innovation; and generates a competitive advantage is operating strategically entrepreneurially.
Kuratko	2007	Entrepreneurial leadership can be defined as the entrepreneur's ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organization.
Foss <i>et al.</i>	2008	Highlight the concept of subjectivism in order to reconcile entrepreneurship theory with strategic management and the resource-based view (RBV)
Wright	2009	Strategic entrepreneurship has been defined as involving the identification and exploitation of opportunities, while simultaneously creating and sustaining a competitive advantage.
Kyrgidou & Hughes	2010	The study of strategic entrepreneurship involves the combination of actions distinctly entrepreneurial (focusing on opportunity) with actions essentially of a strategic nature (creating competitive advantage).
Hitt <i>et. al</i>	2011	SE is presented as a model of three dimensions: resource/factor inputs, resource orchestration processes, and outputs

Source: Author

Table A.3: Development of Portfolio Entrepreneurship Concepts and Perspectives

Author	Date	Portfolio Entrepreneurship Concepts
Scott and Rosa	1996	Conceptualised portfolio entrepreneurship as a lateral growth strategy
Rosa	1998	Growth appears to be mainly the result of an entrepreneurial process in which the entrepreneur is constantly identifying and evaluating new opportunities. Over time a significant 'portfolio' of surviving ventures (acquired or founded) can be built up.
Rosa	1998	Setting up of new companies by the same entrepreneur is most commonly the result of a growth process by diversification
Westhead and Wright	1999	Typology of portfolio entrepreneurs: Novice founders are those that have no prior entrepreneurial experience as a founder; inherits or purchases a business. Portfolio founders retain their original business and inherit, establish, and/or purchase another business. Serial founders are those who sell their original business but at a later date inherit, establish, or purchase a business
Wiklund and Dean	2008	Human and social capital: Business founders pursue portfolio entrepreneurship through their human capital: education and start-up experience; social capital: business networks and links with government support agencies.
Scott & Rosa, Carter & Ram	1996 2003	Context of portfolio entrepreneurship: When individual firm growth is restricted, multiple business ownership may be used as a mechanism for achieving growth through the development of a portfolio of entrepreneurial interests
Mulholland, Ram, Carter & Ram	1997 2000 2003	Motivation for portfolio entrepreneurship can be diverse. Entrepreneurs who invest in several sectors at once and who are thus able to move their capital between various enterprises as the market conditions require. Small scale traders who diversify their economic activities to cover both productive and distributive functions Business-owning family engage in portfolio strategies approaches for: the development of opportunities for offspring or wider family members; the division of the business to accommodate the succession of multiple siblings; and the search for alternative income opportunities when the core business faces unfavourable market conditions.
Carter and Ram	2003	Process of portfolio entrepreneurship: involves the instrumental use of social networks as well as family and kinship networks and professional or business networks.
Hitt <i>et al.</i> , and Eisenhardt & Martin	1997 2000	International diversification: The firm's ability to succeed in international diversification requires the overall capability to achieve both revenue and cost benefits, and this entails a set of dynamic capabilities that includes the ability to structure foreign business units effectively, hiring and retaining qualified staff.
Robson <i>et al.</i> Scott & Rosa	1993 1996	Diversification occurs: (a) as a survivalist strategy; (b) as a result of entrepreneurial dynamics; (c) as the result of family or entrepreneur capital accumulation.
Iacobucci and Rosa	2005	Entrepreneurial teams are the persons controlling a company or a group (through ownership) and directly involved in the management of it

Source: Author

Appendix B: Data Set of HGRI MENA Firms

No	Company	Entrepreneur	Net Worth (\$ BIL) Entrepreneur	Net Worth (\$ BIL) Co. Sales	Industry	Country of origin	No. of employees	No. of comp in business group	International Markets	Entry mode G/FDI/JV	% of growth in 3years	International% of business	Shareholdings: Part State Owned/Private Owned/Family Business		
													SO	PR	FB
1	Orascom Telecom	Naugib Sarwiris	12.7	5.33	Telecoms & Internet services	Egypt	22000	12	Algeria, Jordan, Pakistan, Bangladesh, Iraq, Syria, Italy, Greece, north Korea, and Sub-Saharan African countries	G/FDI/ JV	872%	84%		PR	FB
2	Orascom construction industries	Nassef Sarwiris	11.0	3.73	Construction and cement	Egypt	40000	14	MENA region, USA, EU, East & Central Europe, Sub-Saharan Africa, Australia, South East Asia	G/FDI	703%	74%		PR	FB
3	Telecom Egypt	Akil Bashir	1.1	1.86	Telecom	Egypt	60000	6	North Africa & Sub-Saharan Africa	JV	458%	30%	SO		
4	CIB Bank	Hesham Ezz Arab	1.2	1.1	Banking	Egypt	4500	6	MENA Region, Sub-Saharan Africa	JV	643%	40%		PR	
5	MobiNil	Nagib Sarwiris	12.7	1.95	Telecoms	Egypt	4800	4	Pakistan, Jordan, Bangladesh	G/JV	1247%	40%		PR	FB
6	Orascom Hotel and development	Samih Sarwiris	2.9	2.5	Town Development & Hotels	Egypt	22000	8	MENA region, Switzerland, Maldives, Central Europe	G/JV FDI	959%	68%		PR	FB
7	El Ezz Steel	Ahmed Ezz	3.8	2.2	Steel production	Egypt	20000	5	MENA region, Eastern Europe Sub-Saharan Africa and	G/JV FDI	512%	55%	SO	PR	FB
8	El Sweedy Cables	Sadek El Sweedy	2.2	6.4	Electrical Cable production	Egypt	40000	8	MENA Region, Central Africa, East Europe, UK	G/JV, FDI	468%	78%		PR	FB
9	Zain Group	Dr. Saad Al Barrak	1.8	7.34	Telecoms	Kuwait	20000	5	MENA region, Africa	G/JV, FDI		64%	SO	PR	FB
10	Al Kharafi Group	Nasser Al Kharafi	14.0	12.2	Construction/ Food industries	Kuwait	120000	22	MENA region, South and Central Africa, Albania, Balkan European countries	G/JV, FDI	328%	68%		PR	FB
11	Alghanim Group	Bassam Alghanim	2.8	7.4	Finance	Kuwait	20000	6	MENA Region, UK, USA	G/JV, FDI	125%	42%	SO	PR	FB
12	National Bank of Kuwait	Mohamed Al-Bahar	2.1	2.45	Finance, Banking	Kuwait	5000	3	MENA Region, UK, USA	G/JV, FDI	234%	45%	SO	PR	FB
13	Kuwait Finance House	Bader Al-Mukhaizeem	2.8	2.65	Finance, Banking	Kuwait	6000	5	Malaysia, Australia, MENA Region	G/JV, FDI	349%	48%	SO	PR	
14	Commercial	Bader Al Ahmed	4.9	1.24	Finance, Banking	Kuwait	3000	7	MENA Region, UK, Switzerland,	G/JV, FDI	486%	58%	SO	PR	

	Bank of Kuwait								USA						
15	Agility	Tarek Sultan, Al Essa	1.1	6.72	Transportation	Kuwait	32000	16	MENA Region, Europe, Russia	G/JV, FDI	678%	64%	SO	PR	FB
16	Kuwait Investment Projects	Hamad Al Sabah	2.8	1.65	Diversified Financials	Kuwait	8000	4	MENA region, Europe, US, South and Central Africa	G/JV, FDI	234%	59%	SO	PR	FB
17	Investcom	Najib Mikati	2.6	\$5.53	Telecoms	Lebanon	8000	5	Ghana, Syria, Sudan, Lebanon, Liberia, Yemen	G/JV, FDI	134%	64%		PR	FB
18	Arabian Construction Company	Taha Mikati	2.6	\$5.53	Construction	Lebanon	4000	3	MENA region, Sub-Saharan Africa	G/JV, FDI	343%	68%		PR	FB
19	Bank Audi	Raymond W. Audi	1.2	1.6	Finance	Lebanon	2500	6	MENA region, Sub-Saharan Africa	G/JV, FDI	456%	54%		PR	FB
20	Bloom Bank	Naaman Azhaari	1.1	1.33	Finance	Lebanon	3000	6	MENA region	G/JV, FDI	243%	58%		PR	FB
21	Horizon Development	Bahaa Al Hariri	3.2	2.4	Diversified	Lebanon	16000	7	MENA region, Europe, Russia	G/JV, FDI	453%	64%		PR	FB
22	Future Networks	Saad Al Hariri	3.3	3.2	Media	Lebanon	8000	3	MENA region, Africa	G/JV, FDI	342%	58%		PR	FB
23	Saudi Oger	Aymin Al Hariri	2.3	1.2	Construction	Lebanon	40000	6	MENA region, US	G/JV, FDI	324%	68%		PR	FB
24	Consolidate Contractors Company (CCC)	Said Khoury	6.2	4.2	Engineering and construction	Lebanon	45000	8	MENA region, Africa, US, Europe	G/JV, FDI	232%	84%		PR	FB
25	Haute Couture	Hind Al Hariri	1.1	1.4	Fashion & Furniture	Lebanon	1200	3	France, Italy, UK and MENA	G/JV, FDI	124%	65%		PR	FB
26	Attijariwafa Bank	Mohamed El Kettani	1.1	3.8	Banking	Morocco	4000	3	North Africa, Spain, Italy	G/JV, FDI	118%	45%	SO	PR	
27	BMCE-Banque Marocaine	Othman Benjelloun	2.4	6.4	Banking	Morocco	4000	3	North Africa, Spain, Italy	G/JV, FDI	216%	58%	SO	PR	
28	Bank Muscat	AbdulMalik Al Khalili	3.4	1.03	Banking	Oman	3000	4	MENA region	G/JV, FDI	342%	64%	SO	PR	
29	QNB	Faisal Al Thani	8.2	2.47	Banking	Qatar	4000	4	MENA region	G/JV, FDI	445%	68%		PR	FB
30	Qatar Telecom	Hamed Al Thani	7.4	5.58	Telecom	Qatar	3000	3	MENA region	G/JV, FDI	345%	78%		PR	FB
31	Industries of Qatar	El Attaya	6.2	2.65	Chemicals	Qatar	3000	6	MENA region	G/JV, FDI	448%	64%	SO	PR	
32	Commercial Bank of Qatar	Hussain Ibrahim Alfardan	6.4	1.14	Banking	Qatar	3000	3	MENA region	G/JV, FDI	324%	62%		PR	FB
33	Qatar Islamic Bank	Khalid Al Thani	5.2	0.64	Banking	Qatar	3000	3	MENA region	G/FDI/ JV	128%	48%		PR	FB
34	Doha Bank	Mohamed Al Thani	4.5	0.91	Banking	Qatar	2000	3	MENA region	G/FDI/ JV	232%	52%		PR	FB
35	Saudi Basic Industries	Tarik Gomma	1.1	27.49	Chemicals	Saudi	22	6	MENA region, Africa, US, Europe	G/FDI/ JV	225%	56%	SO	PR	
36	Saudi Telecoms	Muhammed Al-Jasser		13.54	Telecom	Saudi	6000	3	MENA region	G/FDI/ JV	342%	62%	SO	PR	
37	Kingdom Holding	Alwaleed Bin Talal	21.0	1.07	Diversified: Finance, Agriculture, Media	Saudi	100000	14	MENA region, Africa, US, Europe	G/FDI/ JV	234%	64%		PR	
38	Al Amoudi Group	Mohamed Al Moudi	9.0		Oil & Gas services	Saudi/ Yemen	20	6	Ethiopia, Sweden, Guinea Bissau, Nigeria, Angola	G/FDI/ JV	448%	82%		PR	
39	Al Rajhi Bank	Suliman Al Rajhi	8.4	3.35	Banking	Saudi	16000	7	MENA region, UK, US	G/FDI/ JV	128%	64%		PR	
40	Al Rajhi Steel	Saleh Al Rajhi	4.7		Steel	Saudi	8000	5	MENA region, Europe, Africa	G/FDI/ JV	223%	48%		PR	
41	Saudi	Essam Gomaa	6.2	6.36	Utilities	Saudi	25000	6	MENA region	G/FDI/ JV	218%	64%	SO	PR	

	Electricity														
42	Samba Financial Group	Ali Mohamed	4.2	2.24	Banking	Saudi	6000	3	MENA region, Europe	G/FDI/ JV	423%	68%	SO	PR	
43	Saudi British Bank	Maan Al-Sanea	8.1	2.04	Banking	Saudi	14000	6	MENA region, UK, US	G/FDI/ JV	447%	72%	SO	PR	
44	MBI International Group	Mohamed Bin Issa Al Jabar	5.3	2.01	Real Estate and Hotel	Saudi	3000	6	UK, Portugal, Austria, Saudi Arabia	G/FDI/ JV	387%	64%		PR	
45	Della Al Barka	Saleah Kamel	5.0	2.34	Diversified: Finance, Media, Aviation & Trading	Saudi	40000	14	MENA region, Europe, Africa	G/FDI/ JV	238%	68%		PR	
46	Al Rajhi Holdings	Abdullah Al Rajhi	3.2	2.06	Cement and Agriculture	Saudi	6000	6	MENA region, Africa	G/FDI/ JV	345%	68%		PR	
47	Riyad bank	Rashed Abdulaziz	4.2	2.05	Banking	Saudi	4000	4	MENA region, Africa	G/FDI	234%	64%	SO	PR	
48	Bank Saudi Fransi		4.5	1.45	Banking	Saudi	20000	6	MENA region, Africa	G/FDI/ JV	245%		SO	PR	
49	Arab National	Ali Kosabi	3.8	1.41	Banking	Saudi	7800	8	MENA region, Europe, Africa	FDI/ JV	345%	64%	SO	PR	
50	Mobily	Wessam Samir	3.2	3.48	Telecoms	Saudi	8000	8	MENA region, UK, US	FDI/ JV	234%	72%		PR	
51	Petro Arabia	Khalid Salem	13.4	7.85	Oil & Gas operations	Saudi	6400	7	MENA region, UK, US	FDI/ JV	324%	62%	SO	PR	
52	Saudi Arabian Fertilisers	Mahmoud Abdallah	13.6	1.73	Chemicals	Saudi	20000	8	MENA region, UK, US	FDI/ JV	452%	74%	SO	PR	
53	Savola Group	Mohammad Mannaa	6.2	4.78	Food, Drink and Tobacco	Saudi	6800	8	MENA region, UK, US	FDI/ JV	345%	58%		PR	FB
54	Dar Al Arkan	Yousef Bin Abdullah	3.2	1.46	Diversified Financials	Saudi	8000	8	MENA region, UK, US	FDI/ JV	243%		SO	PR	
55	Al Marai	Maged Khalil	6.3	1.56	Food, Drink and Tobacco	Saudi	22000	7	MENA region, UK, US	FDI/ JV	228%	64%		PR	FB
56	Saudi Kayan Petrochemical	Kamel Al Soud	4.2	0.05	Chemicals	Saudi	20000	7	MENA region, UK, US	FDI/ JV	223%	72%		PR	
57	Emirates Telecoms	Mohamed Amros	5.5	8.39	Telecoms	UAE	8000		MENA region, Europe, Africa	FDI/ JV	423%	70%	SO	PR	
58	Emirates NBD	Ahmed Maktoum	2.8	4.73	Banking	UAE	24000		MENA region, Europe, Africa	FDI/ JV	422%	60%	SO	PR	
59	National Bank of Abu Dhabi	Emad Maktoum	6.5	2.41	Banking	UAE	30000		MENA region, Europe, Africa	G/JV, FDI	234%	64%	SO	PR	
60	First Gulf Bank		2.1	2.25	Banking	UAE			MENA region, Europe, Africa	G/JV, FDI	225%	64%	SO	PR	
61	DP World	Sulan Bin Selim	2.1	3.28	Maritime Transportation	UAE	30000		MENA region, Europe, Africa	G/JV, FDI	567%	85%		PR	
62	Dubai Islamic bank	Hussein Ahmed	4.2	1.39	Banking	UAE	8000		MENA region, Europe, Africa	G/JV, FDI	243%	64%	SO	PR	
63	Union National Bank	Mahmoud Hassan	1.1	1.19	Banking	UAE	7000		MENA region, Europe, Africa	G/JV, FDI	243%	54%	SO	PR	
64	Al Dar Properties	Gassim Ahmed	5.5	0.39	Diversified Financials	UAE	8000		MENA region, Europe, Africa	G/JV, FDI	348%	58%		PR	
65	TAQA	Mohamed Ahmed	3.4	4.58	Utilities	UAE	40000		MENA region, Europe, Africa	G/JV, FDI	476%	68%		PR	
66	Emaar Properties	Mohamed Al Abaar	1.2	2.41	Diversified Financials	UAE	40000		MENA region, Europe, Africa	G/JV, FDI	625%	64%		PR	
67	Abu Dhabi Commercial	Ahmed Mahmoud	6.4	2.25	Banking	UAE	8000		MENA region, Europe, Africa	G/JV, FDI	243%	72%	SO	PR	

	Bank														
68	Commercial Bank Dubai	Yossef Ahmed	4.2	0.68	Banking	UAE	4000		MENA region, Europe, Africa	G/JV, FDI	245%	72%	SO	PR	
69	Ahli United Bank	Hassan Abd Rahman	6.3	1.44	Banking	UAE	5000		MENA region, Europe, Africa	G/JV, FDI	228%	64%	SO	PR	
70	Arab Banking			1.35	Banking	UAE	6000		MENA region, Europe, Africa	G/JV, FDI	312%	72%		PR	
71	Al Mashreq Bank	Abdul Aziz Al Ghurair	8.9	2.05	Banking	UAE	20000	8	MENA region, Europe, US	G/JV, FDI	342%	64%		PR	FB
72	Majid Al Futtaim Group	Majid Al Futtaim	3.0	1.25	Real estate and retail; Mall Industries	UAE	40000	25	MENA region, Africa	G/JV, FDI	422%	68%		PR	FB
73	Al Ghurair Group	Saif Al Ghurair	2.8	1.01	Diversified	UAE	14000	12	MENA region, Africa, Europe	G/JV, FDI	412%			PR	FB
74	Al Habtoor Group	Khalaf Al Habtoor	2.5		Construction & Hotel	UAE	12000	14	Australia, Japan, MENA Region	G/JV, FDI	402%	68%		PR	FB
75	Abdal Al Futtaim Group	Abdal Al Futtaim	2.0	4.4	Diversified: Automobiles & Construction	UAE	20000	7	MENA Region, Africa	G/JV, FDI	342%	68%		PR	FB
76	Highland Springs Company	Mahdi Al-Tajir	1.0	3.4	Investments	UAE	14000	12	UK, Europe, Russia, MENA Region	G/JV, FDI	324%	58%		PR	FB
77	Mentmore Towers	Simon Halabi	4.0	2.2	Real Estate and Hotels	Syrian	3000	7	France, UK, Russia	G/JV, FDI	423%	72%		PR	FB
78	Celtel	Mohamed Ibrahim	2.5	3.4	Telecoms	Sudanese	8000	4	Africa	G/JV, FDI	725%	58%		PR	FB
79	Algosaibi Group	Sulaiman Algosaibi	3.0	4.5	Diversified	Saudi	8000	4	MENA region	G/JV, FDI	625%	68%		PR	FB
80	Heikma Pharma	Omar Derwazah	6.6	12	Pharmaceuticals	Jordan	8000	6	MENA, US, EU, Australia	G/JV, FDI	618%	72%		PR	FB
81	Al Huda Group	Ahmed Hadi	2.2		Real Estate and construction	Qatar	7000		MENA, Sub-Saharan Africa	G/JV, FDI	245%	58%		PR	FB
82	MAFA	Shrief Al Marghabi	6.4	5.4	Agri-business	Egypt	6000	4	EU, US, MENA	G/JV, FDI	425%	68%		PR	FB
83	Mansour Group	Mohamed Mansour	1.25	3.4	Diversified	Egypt	14000	8	MENA, Africa	G/JV, FDI	412%	72%		PR	FB
84	Palm Hills	Yasine Mansour	1.8	3.2	Real Estate	Egypt	2000	4	MENA	G/JV, FDI	328%	58%		PR	FB
85	Oriental Weavers	Farid Khamis	6.4	3.5	Carpets/Polypropylene	Egypt	14000	12	MENA, China, EU, US, Russia	G/JV, FDI	428%	68%		PR	FB
86	Cleopatra Group	Mohamed Abou El Enien	1.01		Ceramics; Electronic Chip manufacture	Egypt	8000	8	China, Japan, MENA, Africa, US, EU	G/JV, FDI	328%	72%		PR	FB
87	Shoubshki Group	Fahid Shoubshki	2.4	3.2	Real Estate, Finance and Telecoms	Egypt/Saudi	2000	4	MENA, UK, US	G/JV, FDI	623%	76%		PR	FB
88	Sharbatly Group	Abdul Rahman Sharbatly	6.1	3.4	Diversified, Retail and Real estate	Egypt/Saudi	16000	8	MENA, Africa, UK, US	G/JV, FDI	725%	68%		PR	FB
89	Olian Group	Loubna Olian	7.2	2.1	Diversified	Saudi	12000	6	MENA, UK,US	G/JV, FDI	426%	62%		PR	FB
90	Al Gameel	Abdel Lateef Al Gameel	3.6	3.1	Diversified, Retail	Saudi	10000	8	MENA, Africa and US	G/JV, FDI	225%	68%		PR	FB
91	Saeed Group	Omar Saeed	1.1	3.2	Real estate, education	Syrian	4000	4	UK, Europe and US	G/JV, FDI	124%	58%		PR	FB
92	Travco Group	Hamed El Sheety	5.1	4.8	Tourism,Real Estate	Egyptian	12000	8	MENA, Africa, Europe, UK and US	G/JV, FDI	432%	72%		PR	FB

93	Ghabour Group	Raouf Ghabour	6.1	4.2	Diversified	Egyptian	14000	7	MENA, Africa, Europe, UK and US	G/JV, FDI	246%	72%		PR	FB
94	Lakah Group	Rami Lakah	1.01	1.1	Diversified	Egyptian	6000	5	MENA, Africa, Europe, UK and Iran	G/JV, FDI	96%			PR	FB
95	Zorba Group	Galal Zorba	1.2	3.2	Manufacturing & Diversified	Egyptian	7000	6	MENA, Africa, Europe, UK and US	G/JV, FDI	246%	70%		PR	FB
96	Arafa Group	Ahmed Arafa	6.4	3.1	Manufacturing & Diversified	Egyptian	12000	8	MENA, Africa, Europe, UK and US	G/JV, FDI	274%	75%		PR	FB
97	Samcrete	Sami Saad	6.2	3.4	Diversified, Contracting & Auto manufacturing	Egyptian	14000	12	MENA, Africa, Europe and China	G/JV, FDI	264%	68%		PR	FB
98	AlCan	Khalid Nosseir	1.4	4.8	Diversified	Egyptian	10000	4	MENA, Africa, Europe, UK and US	G/JV, FDI	243%	68%		PR	FB
99	Abou Al Fottouh Group	Ghada Aboul Fottouh	1.1	2.4	Diversified	Egyptian	4000	3	MENA and Africa	G/JV, FDI	125%	58%		PR	FB
100	Al Kaaky Group	Geith Al Kaaky	2.4	6.8	Diversified	Saudi	12000	5	MENA and Africa	G/JV, FDI	245%	58%		PR	FB
101	Talat Mostafa	Hesham Talat	5.4	6.2		Egyptian	40000	8	MENA and Africa	G/JV, FDI	356%	64%		PR	FB
102	Dar Al Handassa	Kamal Shair	2.2	6.4	Engineering and construction	Lebanese/ Palestinian	8000	24	MENA, Africa, Europe, UK and US	G/JV, FDI	425%	72%		PR	FB
103	Arab Bank	Abdel Hamid Shoman	2.8	1.06	Diversified Financials	Jordanian/Palestinian	34000	16	MENA, Africa, Europe, UK, US & Australia	G/JV, FDI	328%	72%		PR	FB
104	Tabouk Group Holding Co	Talal Gaaod	2.6	2.01	Construction, Diversified Investment	Iraqi	6000	4	MENA and Africa	G/JV, FDI	324%	68%		PR	FB
105	Al-Bunnia & Sons Group	Mustafa Al-Bunnia	1.02	1.04	Farming and animal husbandry	Iraqi	8000	3	MENA and Africa	G/JV, FDI	243%	48%		PR	FB
106	Al Zubair corporation	Rashad M. Al Zubair	2.41	1.8	energy, real estate, construction, tourism, furnishing	Omani	30000	30	Middle East, India, the Far East, Europe and the USA.	G/JV, FDI	423%	68%		PR	FB
107	OMZEST Group	Omar Al Zawawi	4.2	2.6	Agriculture, Banking, Contracting, Fisheries	Omani	40000	45	MENA, Africa, Far East, Europe & USA.	G/JV, FDI	422%	72%		PR	FB
108	Alawi Enterprises	Alawi Al Zawawi	1.12	1	Hotels and Hospitality, Mining, Education.	Omani	8000	14	MENA & Africa	G/JV, FDI	348%	68%		PR	FB

Appendix B: Data Set of HGRI MENA Firms

Appendix C: Interview Guide

A topic guide for the research of entrepreneurial and managerial processes in an emerging market context: The high growth and rapid internationalisation of firms from MENA region

Interviews were aided by a topic guide that was based on the conceptual framework which indicated the main areas to be explored in a certain direction (Yin, 1994:69).

Interview Guide

The interview guide below was used in the gathering of interview/case data for this thesis on high growth and rapid internationalisation of MENA firms.

The interviews were covered in three stages as follows:

Stage I: Introduction

This stage covered basic and essential information about the research. It included a description of the study, its implications and importance of this research. It also included an expression of appreciation for participating in the study, and an explanation of the possible development of significant international management theory that might have an impact societal advancement.

The author showed knowledge of the company based on background reading at this stage; and expressed her awareness that the interviewee's responses and views would be treated with care and confidentiality and to be only used for the research purpose.

Stage II: Interviews

The interviews began with the primary objectives for the firm, the strategic decision process, and the major obstacles and challenges faced during planning and implementation, before moving onto discussion of the firm's corporate strategy for international market participation. This began with consideration of the types of entry modes, followed by the role of knowledge about the foreign markets involved (Oviatt

and McDougall, 2005). The role of the different types of technologies, and how they were transferred, were examined. The ways of working with others were discussed at length, not only in connection with collaboration, but also the manner in which network relationships affected the process of growth and international development (Tung, 2002). Here, for example, the strengths of the relationships, the network size and density, and the level of acceptance of initiatives introduced by others were examined (Tung, 2001). The interviewees were then asked to reflect on the most important things that they had learned in their experience of initiating foreign operations. Interviews were aided by the topic guide below.

Topic Guide

Background of Company and Entrepreneur:

- Net worth of Entrepreneur
- Net worth of company
- Industry
- Country of origin
- Number of employees in firm
- Companies in business group
- International markets
- Entry modes
- Average % of growth over 3 years
- International % of business within company
- Shareholdings structure:
 - Private, partially state owned or Family business

Who: the entrepreneurs and the entrepreneurial teams

- The value placed by the entrepreneur on Internationalisation.
- Perceptions and attitudes regarding internationalisation risk, cost, profit, potential and complexity

What: the resources and capabilities

- Human Capital: Knowledge; work experience; education; skills
- Social Capital: Networking; business, government; colleagues; family; friends
- Financial: Family; friends; business associates; personal employment; IPOs
- Entrepreneurial Orientation: Pro-active; innovative; risk-taking

When and Where: Extent, speed and scope of Internationalisation

Extent of internationalisation: degree of international penetration, the number of markets entered by his firm

Scope of internationalisation in two capacities; a geographic range (new markets) and products range (novel innovations) introduced in those markets

Speed of internationalisation, how fast the firm enters new markets

Why: Motivations, triggers and environmental factors

Environmental Factors: Limited domestic growth;

Competitive Forces: Intensity of international competition;

Institutional environments and how it influenced firm's internationalisation.

Entrepreneurial and managerial processes

How does the entrepreneurial process of discovery, evaluation, and exploitation of new international business opportunities steer high growth and rapid internationalisation of firm?

How does the entrepreneur and entrepreneurial teams lead, motivate, and drive emerging market enterprises to high growth and rapid internationalisation?

How does firm diversify internationally and how do form business groups?

Additionally, other information was gained through probing:

Primary objectives for venture

Primary factors considered

Most important factor, why

Decision process

Major obstacles during planning

Major obstacles/challenges during implementation

How overcame challenges

How judge performance

Firm's overall corporate strategy for international market participation

Stage III: Referrals

The author expressed her gratitude for the interview and inquired for any possible recommendation for referrals to other executives in entrepreneur's firm or from other firms to expand research's primary data

Interviewees and Places of Interviews

Entrepreneurs and Entrepreneurial Teams

Case	Country	No of Interviewee	Main Industry	Method	Place of Interview
A	Egypt	12	Telecom	UI/SI	Cairo/London/Algeria
B	Jordan	5	Pharmaceutical	UI/SI	London
C	Egypt	8	Cables	UI/SI	Cairo/London/Algeria
D	Egypt	7	Construction	UI/SI	Cairo/London/Algeria
E	Egypt	3	Town Develop.	UI/SI	Zurich/Cairo
F	Emirates	5	Marine Operator	UI/SI	Dubai
G	Qatar	4	Diversified	UI/SI	Doha
H	Egypt/Qatar	5	Engineering	UI/SI	Doha
I	Egypt/Qatar	8	Consulting	UI/SI	Doha
J	Sudan	2	Telecom	UI/SI	London
K	Egypt	6	Auto	UI/SI	Cairo/London
L	Kuwait	7	Construction	UI/SI	Cairo/London
M	Egypt	5	Agriculture	UI/SI	Cairo/Paris
N	Emirates	4	Retail	UI/SI	Dubai
O	Emirates	3	Real Estates	UI/SI	Dubai
P	Egypt	5	Ceramics	UI/SI	Cairo/Milano
Q	Yemen	4	Oil and Gas	UI/SI	London
R	Egypt	8	Steel	UI/SI	Cairo/ New York
X	Egypt	1	Medical	UI/SI	New York

UI: unstructured interviews; SI: semi-structured interviews

Table C.1 Entrepreneurs and Entrepreneurial Teams

Source: Author

International Financial Experts

No	Expert	Organisation	Method	Place of Interview
1	AH	Moody's International	UI/SI	New York
2	HS	Financial Times	UI/SI	London
3	FO	Governor of Central Bank Egypt	UI/SI	Cairo
4	TA	Chairman of National Bank	UI/SI	Doha
5	TF	Head of Risk, Central bank Egypt	UI/SI	Cairo
6	NS	Head of MENA region, World Bank	UI/SI	Washington
7	MG	Head of Corporate finance, HSBC	UI/SI	Dubai
8	HR	MENA Financial Correspondent, BBC	UI/SI	Dubai
9	IS	V President Development, Arab African Bank	UI/SI	Muscat
10	PM	Qatar Central Financial Foundation	UI/SI	Doha
11	SS	Governor of Central Bank, Jordan	UI/SI	Amman
12	SM	Price, Coopers. Head of Cairo Branch	UI/SI	Cairo
13	TR	Bank of New York, Head of Middle East	UI/SI	Algiers
14	HE	Chairman of CIB Bank	UI/SI	Cairo

UI: unstructured interviews; SI: semi-structured interviews

Table C 2:2 International Financial Experts

Source: Author

Appendix D: Within Case Analysis

The following examples of Within Case Analysis of different case companies display illustrations of coding, clustering, reduction and recoding of data analysis.

CASE	Case Company C	
Entrepreneur	Mr C1 & Mr C2	
Dates	Original family business: 1984 // Internationalisation: 1998	
Sector	Cables	
Scope of Internationalisation	By 2005 Sweedy Cables had become a holding company, now called United Industries. Its business group constituted 23 Greenfield new international firms. Its international exporting and production activities covered 110 different countries around the world, constituting 80% of their overall production.	
Resources Capabilities	Human Capital	The sons undertook complementary studies, one in engineering and the other in business before returning to the established but local family business. An element of tacit knowledge was an additional asset that enhanced the sons' ability to realise the potential of the company's under-utilised cable production plant. This involved surrounding themselves with experts in electric cable production to fulfil their aspirations to grow and diversify the product base.
	Social Capital	These individuals had extensive networks in all the key domains of business, educational contacts, family, friends and most importantly their relationships with governmental agencies that facilitated approval of their vast manufacturing licenses' requirements
	Financial Resources	The business drew primarily on family resources, eventually raising capital through IPOs to finance their massive international expansion.
	Entrepreneurial Capabilities	The sons worked together with electronic and engineering team members to develop and introduce highly innovative technologies such as fibre glass poles, magnetic wires, multi-sockets and optical cables. In addition to their exporting services, the Sweedys were very proactive; they initiated and operated 23 production and manufacturing facilities in 12 different countries. These activities entailed high levels of risk. However, the Sweedys intuition/business sense or acumen/associated with their acceptance of calculated risk enabled them to create and maintain their electric cable empire. The family's

		decision to diversify into and invest in cement production and wind turbines embodies all these entrepreneurial characteristics (pro-active, innovative and risk-taking).
Motivations	The idea of expanding the firm beyond Egypt's territory and demonstrating to other family members their ability to achieve this international expansion motivated and excited both sons. Host country advantages in the form of tax incentives and the lack of business and industrial infrastructure in the new territories was another factor that favoured internationalisation. The lack of competition was also a 'pull' factor that motivated the Sweedy brothers to internationalise.	
Leadership	The brothers complemented each other in leadership qualities, having a clear vision about their managerial and technical innovation that enabled them to grow internationally and to diversify vertically into advanced products in a large number of foreign markets. The choice of efficient entrepreneurial team members, combined with highly innovative products and established experience of working in the hostile environment of Egypt, constituted the firm's competitive advantage. These leadership abilities are demonstrated in their high growth and rapid internationalisation in 110 foreign markets.	
Entrepreneurial Team	The firm's international diversification was their main growth strategy, whereby they sought market opportunities off-shore. They constantly identified, evaluated and exploited new international opportunities with the help of their capable entrepreneurial team, thereby expanding their portfolio of businesses. This growth process led to the creation of new firms and hence the formation of business groups. The business groups were created, managed and maintained through the skills of entrepreneurial team members	

CASE	Case Company E	
Entrepreneur	Mr E	
Dates	Start: 1995 // Internationalisation: 2001	
Sector	Tourism & Town Development	
Scope of International	Mr E developed new touristy towns in Dubai, Mauritius, Oman, Morocco, Jordan and Switzerland.	
Resources/Capabilities	Human Capital	Harnessing his educational background in Germany, Switzerland and Egypt, he was able to interact dynamically with different cultures and backgrounds to develop a range of touristy towns from his first in the Egyptian desert alongside the Red Sea to later ventures in the Alpine mountains of Switzerland. His personal charm and communication abilities allowed him to mount a persuasive case to attract people to visit and invest in unpromising circumstances. He utilised his personal skills and charisma to develop all his new

		towns into world tourist attractions.
	Social Capital	His network of family and friendship resources had significant depth and reach throughout the domains of business, government, and university education. He utilised his relationships with other world class companies, to generate further investment for his new international towns.
	Financial Resources	He was able to use the family business wealth to initiate his international business as well as the proceeds of the sale of the only private sector brewery in Egypt. Another source of financial resources were the governmental agencies who were keen to enter into partnerships with him in order to have shares in this profitable business. Later on, he offered IPOs through shares in the Cairo and Alexandria stock exchanges as well as in Zurich and more generally in Europe.
	Entrepreneurial Capabilities	His proactive approach and capabilities for developing real estate in the desert were extraordinarily innovative. Without his entrepreneurial abilities, this initiative would have been counter-intuitive. In following his intuition, he was taking calculated risks in investing in remote beach and mountain foreign locations.
Motivations	Unlike other entrepreneurs, S identified an opportunity in his own home country, Egypt. However, this opportunity was the trigger for high growth and rapid internationalisation of his business operations across the globe.	
Leadership	S expressed his vision of leadership as coalescing talented and experienced managers, educational achievement, service training and entrepreneurial team leadership. According to him, these factors constituted the foundation of the growth of his firm into world leaders in the hotel and tourism business. By doing so, he anticipated "locking in customers, competitors and complementors".	
Entrepreneurial Team	S. managed to create his empire of hotels and related leisure businesses through a group of highly qualified and competent entrepreneurial team members. The dynamic entrepreneurial growth process enabled S. with his capable team members to create as well as manage and sustain international operations through the formation of business groups.	

CASE	Case Company F	
Entrepreneur	Mr F	
Dates	Start and Internationalisation: 2005	
Sector	Marine and Port Operators	
Scope of Internationalisation	<p>Acquired CSX Corporation: Hong Kong, China, Australia, Dominican Republic, Germany and South Korea.</p> <p>Acquired CSX WT: India, Turkey, China, Egypt, and UAE.</p> <p>Acquired P&O: the rest of the world!</p>	
Resources/Capabilities	Human Capital	The institutions of the Emirate government had a pivotal role in providing the knowledge base and a skilled labour force to drive the business forward. They facilitated and supported BS to recruit the most educated and best-qualified personnel to help him manage and operate the international business of DP World.
	Social Capital	The key to the expansion of this conglomerate was exceptional and extensive networking with government agencies and powerful individuals such as Bill Clinton, who provided consultancy services to facilitate the final acquisition of P & O. Additionally Mr F recruited individuals with far-reaching networks and relevant work experience that further enhanced networking on the company's behalf. Unlike other entrepreneurs BS did not come from an entrepreneurial family background but he more than compensated for this through drawing on his connections with his friends and colleagues.
	Financial Resources	Mr F drew exclusively on company resources to finance these initiatives as well as IPOs.
	Entrepreneurial Orientation	His talent was in identifying opportunities in challenging environments, targeting and recruiting experienced and able senior managers to operationalise his strategic vision. He was not only proactive in selecting unlikely opportunities but in seeking innovative solutions. Due to the phenomenal scale of his operations, the risks were correspondingly massive. However, his business sense combined with his acceptance of risk enabled him to lead the company forwards through finalising a number of world-class acquisitions.
Motivations	Mr F was motivated by hunger for success and an urge to prove himself to the ruling family who had put a lot of trust and faith in his abilities. Further he was driven by a patriotic sense of responsibility for his country's future economic development.	

Leadership	BS had a clear vision of how to drive his colleagues to take forward the company's development. His leadership style was both collaborative and distributive among a number of entrepreneurial team managers. His innovative managerial skills compensated for any lack of technical abilities that were provided through appropriate choice of expert personnel.
Entrepreneurial Team	His team is composed of established and experienced managers who had extensive knowledge in operating international ports and marinas. BS had a talent for empowering and encouraging these managers to become entrepreneurs in their own right. These entrepreneurial team members were crucial to the extensive marine acquisitions and Greenfield's attainment around the globe.

CASE	Case Company G	
Entrepreneur	Mr G	
Dates	Start: 1964 Internationalisation: 1998	
Sector	Diversified	
Scope of Internationalisation	MENA region, Sub-Saharan Africa, S.E. Asia, E. Europe, UK, France and USA The astonishing scope of his business success and acumen is evident in the development from his first spare-parts business on a handcart in Doha to the multi-national, diversified empire of which he is head today.	
Resources/Capabilities	Human Capital	He started essentially with only his personal human resources and tacit 'street knowledge' from which he developed personal skills and abilities to transform the modest start-up capital into a multi-million dollar enterprise. However, other human capital in the form of education and work experience was highly attainable through his extensive entrepreneurial team members.
	Social Capital	The force of networking was a crucial element of F's growth and business development, as he not only depended latterly on his family as they acquired social importance but also he built strong relationships with government agencies in different parts of the world. In spite of the lack of any education connections and colleagues, F managed to gain respect from influential and significant professionals.
	Financial Resources	He had a modest start-up from personal savings and he managed to build on his profits year on year, ultimately attracting in finance from other sources such as banks and financial institutions. He built such a solid reputation in the field of trading that he

		generated great interest from individuals wishing to invest in his first IPO.
	Entrepreneurial Orientation	With hardly any financial and educational resources, F. had to rely on his entrepreneurial capabilities in identifying and proactively driving new opportunities into successful businesses. He was aware of the risks involved in exploiting uncharted opportunities. However, his natural acumen guided him through different stages of entrepreneurial processes and he accepted calculated risks, which turned out to be highly lucrative opportunities.
Motivations	F. established his business from scratch and with little backing. Therefore after his initial local success, the urge to internationalise was a simple continuation of an existing pattern of calculated risk-taking and desire to increase success and wealth. Interestingly the 'pull' factor for F's internationalisation arose from his local good reputation of leading and sustaining businesses.	
Leadership	Through natural leadership and personal charisma, Mr G inspired his team members to take their own initiatives and to manage their particular company. His ability to empower individuals around him, creates a positive work environment with the flexibility to handle business or political challenges, and sustained growth.	
Entrepreneurial Team	Mr G knew how to surround himself with the right people with both technical and managerial capabilities. The range of activity that the holding company covered extended from engineering to construction, tourism, medical, autos, retail, telecommunications and IT. Therefore, it was evident that high calibre personnel with immense educational and work experience were driving the business.	

CASE		Case Company I
Entrepreneur	Mr I	
Dates	Start and Internationalisation: 2003	
Sector	Electro-mechanical engineering	
Scope of International	Qatar, E. Europe and MENA region.	
Resources/Capabilities	Human Capital	Very well educated, PhD in Electro-mechanical Engineering from the US. He had extensive work experience with foreign regulators such as the American Corps of Engineers in various countries. Other members of his company had similar educational and work backgrounds.
	Social Capital	Faced with changing regulations in Egypt and the possibility of imprisonment, he drew on his networks and opted for an overseas opportunity provided by his business colleagues despite limited initial profitability of the venture in question. His family and friends supported him during this internationalisation process and he also utilised government agency relationships to build and sustain his new business.
	Financial Resources	Mr I depended in his personal employment remuneration initially and later on funds from business associates attracted by his acumen and success.
	Entrepreneurial Orientation	He proactively pursued this small overseas opportunity in spite of modest initial profits. His innovative, technical and managerial skills of acquiring the latest High-Tec equipment combined with investment in extensive training for all staff, allowed him to come up with original solutions to existing problems. To avoid imprisonment, Mr I ran the risk of starting a new career in a foreign country in spite of the fear of possible failure.

Motivations	There was a 'push' factor in his decision to go overseas, as the home country regulations in Egypt were so discouraging. Also there were better prospects for starting and growing new businesses in the host country of Qatar.
Leadership	Mr I's powers of persuasion enabled him to encourage colleagues to join him in this overseas venture and persuaded by his vision and flexibility he was able to build a sustainable, successful business with a turn-over of more than \$0.8 billion by the end of 2008. In to drive his company in these circumstances he developed a collaborative leadership style.
Entrepreneurial Team	His entrepreneurial team included his wife; his best friend and his nephew amongst his other colleagues there were experienced and well educated staff members.

CASE	Case Company K	
Entrepreneur	3 brothers, 1 sister	
Dates	Start: 1975 // Internationalisation: 1998	
Sector	Heavy Plant Machinery, Car industry, retail, advertising, real estate	
Scope of Internationalisation	Nigeria, Kenya, Tanzania, Uganda, Ghana, Sierra Leone, Siberia, Russian, Iraq, UK, E. Europe.	
Resources/Capabilities	Human Capital	Educated in the US, the two eldest brothers appreciated the corporate business to which they were exposed, and imported it back home through partnerships with large MNEs. Their work experience with those MNEs provided tacit knowledge and created enhanced opportunity for exploitation of business opportunities. Following his education in France, the third brother was able to establish good relationships with the French conglomerate Metro, leading to the development of 42 outlets across 10 cities in Egypt. The sister was educated in Egypt and began a career in interior decoration, and then pioneered a new business venture not only in floral design but cultivation and export of flowers. She has expanded her business across the world.
	Social Capital	They have extensive networks not only from family and friends but also within overseas governments in addition to education and work colleagues. For example, they have connections with ex-Presidents of North American and European countries. They also went to school with members of royal families.

		Lastly, one of the brothers is a cabinet member in the Egyptian government.
	Financial Resources	The family's considerable financial resources were made available to the siblings in the early stages of their career but later on wealth creation from the development of their own businesses was the main source of finance. Maintaining an excellent business reputation enabled them to offer IPOs through Cairo and Alexandria Stock Exchange.
	Entrepreneurial Orientation	The brothers in this family were innovative, proactive and responsive to the risks in starting new business concepts such as retail, fast food and courier services that were unknown up to that point in their home market. They saw the possibilities of importing Western retail practices into Egypt and then building on their success to internationalise throughout Africa, MENA, Eastern Europe and UK.
Motivations	Although the sons were motivated by 'pull' factors, the sister was driven by 'push' factors associated with her husband's imprisonment and her determination to be self-supporting and as successful as her brothers.	
Leadership	These brothers demonstrated the distributed leadership style essential for the development and management of such a rapidly expanding business empire. They had efficient members in their entrepreneurial teams who were as influential as the owners in expanding the business internationally.	
Entrepreneurial Team	Team members were not only highly educated, but had relevant professional skills and experience in the areas of software, retail management, fast food franchising, dairy and food products, advertising and real estate development. They were all shareholders in their respective companies and they had the authority to make strategic decisions concerning their internationalisation processes.	

CASE		Case Company L
Entrepreneur	Mr L	
Dates	Start: 1965; Internationalisation: 1992	
Sector	Construction, Fast food chain franchises, Hotels and Real estate development	
Scope of Internationalisation	MENA region, South Africa, East Africa, Caribbean, Eastern Europe, including Albania, and South America	
Resources/Capabilities	Human Capital	His talent did not lie in his professional skills and training but in his ability to select outstanding colleagues and then having confidence in them to have total control and management of their respective subsidiaries across the world. These colleagues brought with them the requisite knowledge, experience and skills together with high educational attainment.
	Social Capital	The father and son drew on all networking possibilities through business, contacts, government agencies; educational colleagues particularly in the US and within family and friendship associations.
	Financial Resources	Family; friends; business associates; personal employment; IPOs No hard info/detail in the profile
	Entrepreneurial Orientation	Company L was initially a local (Kuwaiti) family construction business.. It was the family son, N, who started to internationalise the company following his education in the States. In addition to developing the family construction business vertically into a comprehensive engineering group, he added manufacturing and commercial ventures including the largest food conglomerate in the MENA region and investment banking business. This phenomenal business activity and growth has made him the 48 th richest

		man in the world They able to spread the risk of entering new market by using the collateral of the family business. Early success meant that their reputation facilitated market entry
Motivations		
Leadership		
Entrepreneurial Team		

CASE	Case Company M	
Entrepreneur	4 brothers	
Dates	Start: 1985 // Internationalisation: 1998	
Sector	Specialist eye hospitals; manufacturing and distributing optics; hotel development and tourism; agro-clean business.	
Scope International	Specialist eye hospitals: MENA. Manufacturing and distributing optics: worldwide. Hotel development and tourism: France, UK and MENA region. Agro-clean business: EU.	
Resources/Capabilities	Human Capital	One brother, building on his father's eye surgery practice and his own education, expanded into the development of the first specialised eye hospitals in the MENA region. Another brother started a new business in optics and optical accessories drawing on his tacit knowledge from his professional practice in the USA. A third brother started a career in tourism and hotel management utilising his education and practical skills. The fourth brother's understanding of the agro-clean business, and market opportunities in the EU, enabled him to launch his first venture in the desert producing organic varieties of vegetables and fruits, with the support of specially recruited and experienced professionals
	Social Capital	The four brothers drew extensively on different networking relationships including educational, business, family and friends. However, the most influential connections came from governmental agencies, and one brother became a permanent member of the cabinet.
	Financial Resources	Initial finance came from family resources and later on business associates were keen to invest in the companies, which led to prospective offerings of IPO shares

		on the Cairo and Alexandria Stock Exchange
	Entrepreneurial Orientation	One brother proactively pursued the opportunity to start a new specialised business in eye hospitals. Another was very innovative in acquiring desert land, to irrigate, cultivate and produce agro-clean vegetables and fruit solely for the EU market. In doing so all brothers have taken the risk of entering new areas of business. However, their intuition and acumen combined with their acceptance of risk enabled them to expand their businesses entrepreneurially, strategically and internationally.
Motivations	Whilst wanting to build on their father's success, they also felt the need to demonstrate their independent abilities as businessmen. This ambition was furthered through increasing international opportunities that presented themselves at the time.	
Leadership	The brothers demonstrated both models of individualistic and collaborative leadership through running separate successful entities whilst supporting the family business as a whole. They delegated distributed leadership amongst their professional colleagues to drive the business forward. Indeed one brother said that recruiting the best professionals in relevant fields was one of their core competences.	
Entrepreneurial Team	The brothers delegated to their entrepreneurial team members, a group of highly qualified professionals, who then drove the growth and sustained the success of these firms. An example of this is manifested in the recruitment of a young, dynamic CEO, who is also a shareholder, to develop the unique culture of cultivating, irrigating, picking and packing organic produce for the dedicated EU market.	

CASE		Case Company R
Entrepreneur	Mr R	
Dates	Start of Family Business 1970, Internationalisation	
Sector	Steel	
Scope of Internationalisation	MENA region, Sub Saharan Africa, East Europe, UK, France, Belgium and South East Asia	
Resources/Capabilities	Human Capital	Mr R is a bright ambitious engineer who also had a thirst for knowledge that was on-going and perpetual. He worked extraordinarily hard to achieve the transformation of a small local family business into a giant conglomerate of steel production. He had extensive education and work experience which sharpened his personal and managerial skills.
	Social Capital	Mr R had numerous networking relationships due to education and business backgrounds. However, his most influential network was with government officials including presidents of various countries. This enabled Mr R to build a number of steel production plants in different parts of the Arab world whilst benefiting from the best financial and tax incentives in those countries.
	Financial Resources	His personal resourcefulness in getting the best deal from governmental financial institutions played a very important role in securing funds for his mega projects. Subsequently he drew on the success of these projects to raise other cash requirements through offering IPOs.
	Entrepreneurial Orientation	A true proactive, innovative entrepreneur in his approach to identifying and exploring good business deals. However, his most striking capability was in

		his intense, calculated risk-taking ability. This was a strongly exhibited in a number of acquisitions, where Mr R was able to secure financial resources through utilising his social and capital resources effectively.
Motivations		Mr R was 'hungry' for success in business terms but also in terms of building protective political capital. This was the main driver behind his continuous search for new opportunities internationally in order to ensure that he had sufficient financial assets and political insurance as a safety net for his career.
Leadership		Mr R believed in the distributed leadership model and gave those he recruited to management positions, plenipotentiary powers in decision-making both locally and internationally.
Entrepreneurial Team		The entrepreneurial team members were of world-class calibre in their field of expertise. Each one of them had high levels of educational attainment as well as extensive professional skills and abilities. On many occasions they were running the business independently to achieve high growth through internationalisation.

CASE	Case Company X	
Entrepreneur	Mr X (Non-successful Entrepreneur)	
Dates	Start: 1964- Family business // Internationalisation: 1998	
Sector	Medical, steel, media.	
Scope of International.	France & UK	
Resources/Capabilities	Human Capital	Mr X had a first class education from France and relatively good work experience from his family business and other international firms where he trained. He had personal skills that enabled him to develop his family business into an international group of diversified entities.
	Social Capital	Mr X had exemplary networks from family connections, educational background and work relations. He also had also diverse government connections, which proved both helpful and harmful to his business at the

		same time.
	Financial Resources	He depended heavily on his family finances and later on IPOs. He started his international business utilising major family resources and at a later stage he had to raise cash to overcome great losses incurred especially in the media sector, as he expanded internationally.
	Entrepreneurial Orientation	Although highly pro-active and innovative, X was a traditional 'internationaliser' in following the regular pattern of going to the developed West to secure efficient institutional support for his ventures. He assumed investment in the West would not constitute a significant risk.
Motivations	Mr X believes that business was in his blood and subscribes to the family work ethic. He cannot imagine himself not being unproductive despite his inherited wealth.	
Leadership	Mr X believed in a centralised leadership style, he had a large number of employees but no business partners. In spite of having highly diversified business activities (medical equipment, hospital construction, steel production, aviation services and media ownership), he had to be in charge of every single company without delegating leadership or management	
Entrepreneurial Team	Mr X did not believe in empowering his staff members to take entrepreneurial initiatives. He had qualified managers who were employed to do a good job. However, none of them were given the opportunity of being part of an entrepreneurial team or developing skills in identifying new possibilities for business at home or abroad. Although very highly paid, none of his staff was given shareholding options.	